Friday September 23 1988 No.30,649

D 8523 A

CHINA DELAYS Reforms may be put

on two-year hold

World News

· µorle

The state of the s

1985

Continue of the continue of th

1.24.5 jag.

er en hale en en en hale

T. William

il out the

UK expels three Czech diplomats

Three Czechoslovak diplomats were expelled from Britain for "engaging in activities incom-patible with their status," bringing to seven the number of foreign envoys ordered to leave the country within the last month. The moves marks a toughening of the UK Gov-ernment's attitute towards foreign diplomats.Page 8

N Sea rig explodes An explosion and fire ripped through a North Sea oil rig 130 miles off the Scottish coast and one person was missing. the UK Ministry of Defence. said. Sixty-six of the 67 crew were brought to safety from the Ocean Odyssey rig oper-ated by the ARCO oil company. Page 8

New SA fugitive South Africa withdrew a warrant for the arrest of a black fugitive who has took refuge in the US Consulate in Johannesburg on Wednesday. The

activists who fled to the con-sulate last week. Hurricane re-run Hurricane Helene churned across the open sea toward the storm-ravaged Caribbean following nearly the same westerly course taken by Hur-ricane Gilbert, which grew into

the century's most destructive storm last week. Rabin escape Israeli Defence Minister Yitzhak Rabin's walkabout tour of the occupied Gaza Strip town of Nablus ended in pan-

demonium when his party nar-rowly escaped attack by Palestinian stone-throwers. Israeli parties register for election, ... Hirohito hands over

Emperor Hirohito of Japan, 87, handed over offical duties to his son, Prince Akihito. The Emperor was stable after collapsing on Monday.

Mubarak begins tour Egyptian President Hosni Mubarak began a week-long European tour to sound out views on the Palestinian problem, a revitalisation of the Non-Aligned Movement and easier credit terms for Egypt.

Chicago gun deaths A gunman killed three men and a policewoman and criti-cally wounded another policeman before he was shot and killed, Chicago police said.

Drug Swedes jailed Two Swedes linked to a major doping scandal affecting the country's Olympic squad were jalled for five years for drugs smuggling.

Secui boxing brawl Five South Korean officials were suspended for attacking a New Zealand boxing referee who awarded a points victory to a Bulgarian over a local con-tender. Page 4

Business Summary Increase in French trade

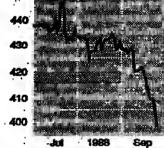
deficit stuns markets **FRENCH** financial markets were stunned after the govern-ment reported a seasonally

adjusted visible trade deficit of FF19bn for August. The mar-kets had been expecting an August trade deficit of around FFr1.2bn. Page 18 **BRITISH Petroleum** shelved the flotation of its gold produc-ing subsidiary because of the steep fall in the price of the precious metal in the past two

weeks: Page 19 GOLD fell through the \$400 an ounce level in Lon-

Gold Price

\$ per fine cunce in London



don – and stayed there. After mid-day it reached a low of \$392.25. Page 40

MOET HENNESSY-Louis Vuit-ton (LVMH), the leading French champagne, cognac and luxury goods group, reported a 44.5 per cent increase in first half net profits to FFr634m (\$100m) — despite the internal wrangling and shake up in the shareholding

structure. Page 19 EASTERN Air Lines, the deeply troubled operating sub-sidiary of Texas Air, came nearer a showdown with staff when mechanics and baggage handlers overwhelmingly rejected contract proposals which would have slashed their wages. Page 20

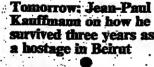
ALCAN Aluminium is again speeding up construction of its Laterriere smelter at Jonquiere, north of Quebec City. The decision was influenced by the continued strength of Page 20

UK Government was urged by the Labour opposition to block the hostile takeover bid by Minorco, the Luxembourgbased investment vehicle of the Oppenheimer South Afri-can mining empire, for Consolidated Gold Fields, Page 19

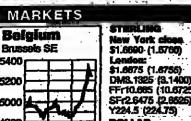
COLGATE-PALMOLIVE, the US cosmetics and detergents company, announced the creation of a new Brussels-ba management board to run its \$1.5bn-a-year European busi-nesses "more effectively in the Europe of 1992." Page 20

TWO of the three Hunt TWO of the three Hunt brothers found guilty by a Fed-eral jury in Manhattan last month of manipulating the silver market in 1979 and 1980 have filed for personal bank-ruptry before a court in Dallas.

PNC FINANCIAL, one of the fastest growing US banks, con-tinued along its expansionist road with the announcement of a deal to acquire Bank of Delaware, Page 20



Details of The FT remarkable prizes



3-mith Treasury Bills: yield: 7.39% (same) Long Bond: 101 &

Long (101 ¹3) yleid: 9.02% (9.01)

Y134.8 (134.20) GOLD. New York luncht \$ 404.6 (406.3)

DM1.879 (1.8745) FFr6.395 (6.3700)

New York close

FFr6.3915 (6.395) SFr1.5852 (1.5875)

FT-8E 100 1,788.7 (-8.1) 124.55 (Wed) Tokyo Nikkel Ave 27,428.31 (-284.35) Franklin Commerzbank 1587.3 (-9.1)

New York close

2,080 (-10.49)

268.84 (-1.30)

S&P Comp

Londone

Brent 15-day (Argus) \$13,385 (-.06) (Oct) West Tex Crude \$14.585 (-.07) (Nov)

Dow Jones Ind. Av.

wants to keep the past. He has told for his opponent, Gov-ernor Michael Dukakis, would be to camble on an unknown quantity.

gian shares ... London property: Survey . Financial Futures inti, Capital Market

Soviet towns auffer

press

-Wall Street ---London ----Technology ----Unit Trusts ----_41,42 _35-39

Soviet troops move onto streets of Yerevan

By Quentin Peel in Moscow

SOVIET internal security troops backed by armoured vehicles yesterday moved on to the streets of Yerevan, capital of the Armenian republic, as up to im demonstrators conversed on the effective conversed on the effective conversed on the effect of the contraction of the effect of the ef

up to 1m demonstrators converged on the city centre.

Tension in the city soared after yesterday's announcement of a state of emergency in the neighbouring region of Nagorno-Karabakh, where the ethnic Armenian population is campaigning to second from campaigning to secede from the republic of Azerbaijan and join Armenia.

The troops are said to have made no move to disperse the vast rally of nationalists, who are demanding a fresh meeting of the republic's parliament to

consider their demands for a boundary revision. The troops were earlier reported to have set up road-blocks and imposed a massive security blanket.

The presidum of Armenia's Supreme Soviet earlier this

week turned down demands that it hold a fresh vote on the boundary issue, arguing that the republic's territorial demands had already been rejected firmly by Moscow.

A Soviet Government spokesman in Moscow admitted that the situation in the enclave was "becoming even

more threatening" in spite of the emergency measures, a

on strikes and demonstrations. No independent information has emerged from the region since the measures were announced. Telephone lines are said to be permanently

Mr Vadim Perfilyev, deputy foreign ministry spokesman, said one man had died and 48 people had been injured in inter-communal violence – 33 Armenians and 16 Azerbaijani. Thirty houses had been burned down, the regional prosecutor's office attacked, and "illegal mass marches and rallies" con-tinued in the capital, Stepanak-

He denied that the Soviet

full-scale martial law, although he said that the military com-mander's orders would be broadcast on television and radio.

The emergency measures, officially described as a "special status" in the region, include a ban on strikes in response to a general strike which has lasted more than a week, closing schools and halting public transport.
"We cannot allow anarchy. lawlessness and infringements of the guaranteed constitutional rights and rightful inter-

ests of citizens of any nationality." Mr Perfilyev said. He said the events in Nagor-no-Karabakh "have effectively

assumed the nature of a con-frontation with the law and with the organs of power. This benefits those sowing the seeds of discord and hatred, afraid of life in Nagorno-Karabakb returning to normal and involved in theft, corruption

and bribe-taking."
In Yerevan itself, the demonstrators have been demanding an emergency session of the republic's Supreme Soviet, ostensibly to renew its demand for Moscow to transfer jurisdic-tion of Nagorno-Karabakh. That was flatly rejected by the Soviet leadership in July, after a top Communist Party official

Continued on Page 18

IMF warns dollar rise may slow trade deficit reductions

By Philip Stephens, Economics Correspondent, in Berlin

MR MICHEL CAMDESSUS, Managing Director of the Inter-

Managing Director of the International Monetary Fund, warned yesterday that the dollar's rise this year may delay progress in reducing international trade imbalances.

His comments, ahead of the opening of the Fund's annual meeting in West Berlin, are thought to reflect growing content within the organisation that the strong improvement that the strong improvement in the US trade position over the past few months will not be sustained next year.

The Federal Reserve, the US central bank, and the Bundes-

bank, its West German coun-terpart, intervened in foreign exchange markets yesterday as the dollar firmed against the D-Mark. The Fed intervened in New York after the dollar rose above DML88 after the White House denied rumours that President Ronald Reagan had had a heart attack. Mr Camdessus' comments are likely to provoke considerable irritation within the US

position as the second most

powerful member of the Inter-

national Monetary Fund, a role it has held since the Fund was

Philip Stephens from Berlin.

Its place is expected to be

taken by Japan as part of a deal next year to increase the Fund's quotas, or capital base.

Accurding to delegates

attending this year's annual meeting of the Fund in Berlin,

Britain will then move down to

fourth or fifth place behind the US, Japan, West Germany and,

BRITAIN-is set to lose its possibly France.

Administration, which insisted at a meeting of high-level offi-cials last week that the Fund's projections were far too pessi-mistic. They also provide an awk-

ward backdrop to a meeting tomorrow of finance ministers and central bankers of the Group of Seven (G7) nations which is expected to reaffirm the Group's commitment to maintaining exchange rates in their current ranges.

Mr Camdessus, speaking at a press conference, was careful to underline the benefits of the

relative stability of foreign exchange markets this year. Against that background the dollar's rise did not justify too much gloom. He added, however, that the appreciation could not be considered a "desirable" develop-ment, "This upward movement will make somewhat more difficult the reduction of the bal-ance of payments deficit of the US", he said. His concern is understood to be based on the

The demotion would follow

years ago of its number two ranking on the board of the

No decision has yet been

taken on the size or distribu-

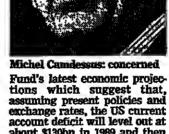
tion of the IMF quota increase. The US, the largest share-

holder with 19.14 per cent of the votes, indicated earlier this week that an agreement would

not be possible until the Fund had taken concrete action to

reduce the mounting level of debt arrears owed to it by

to joint fourth with France.



assuming present policies and about \$130bn in 1989 and then

developing countries.

that a quota increase would be

implemented after the US presidential election, with April

1989 set as the target for the

completion of negotiations.

Yesterday Mr Michel Camdes-

sus, managing director of the IMF, said that he hoped that the present SDR 90bn (\$116bn)

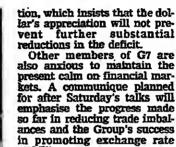
of qnotas would rise by

between 50 and 100 per cent In theory, the contributions of each member towards such

an increase should correspond with their present ranking in

Britain's loss to Japan two that it was widely anticipated

begin to rise again.
That analysis is vehemently jected by the US Administra-



The low-key nature of the meeting will be reinforced by the absence of Mr Klichi Miyazawa, Japan's Finance Minis-ter, who indicated yesterday that he would not be attending. Japanese officials said that the serious illness of Emperor Hirohito and a tight parliamen-tary schedule made it impossi-ble for Mr Miyazawa to leave

Mr Camdessus indicated that he expected little in the way of major new initiatives to ease the debt crisis during the next Continued on Page 18

Britain faces demotion from top tier the Fund. Thus Britain, which now has 6.63 per cent of the votes on the Fund's executive

board, would be expected to

contribute the same proportion

crease m q

In fact, however, the level of contribution is traditionally adjusted using a series of complicated formulas designed to reflect the changing economic importance of each country. That means that Japan's contribution will almost certainly be much higher than the

4.53 per cent implied by its present shareholding in the

Clashes in Beirut raise fears of civil war

By Jim Mulr in Beirut and Tony Walker in Damascus

SHELLING and firing broke ont along the Green Line dividing East and West Beirut yesterday as Lebanon's parliament again failed to elect a new president, deepening the country's political crisis.

Fears of a possible resump-tion of full-scale civil war grew as a special election ses-sion of parliament was postponed until today and as Syrla threatened action against Christian hardliners who have sought to prevent a Syrian-sponsored candidate replacing President Amin Gemayel.

Mr Gemayel's six-year term ends today and if parliament fails to obtain a quorum to elect a successor, Lebanon may be left without a presi-dent and with two governments for the first time in 13 years of civil strife and fragmentation. Such a prospect would deeply concern Western countries which have been calling for the retention of a unitary Lebanese state. Yesterday's clashes between

the Christian east and the Moslem west of the Lebanese capital were said to be the worst in two years, with shells falling close to the old parliament building on the Moslem side of the line. Tension was rther increased by the killing by unidentified guumen of three top officials of the pro-Syrian Shia Moslem Amal militia. The fighting later died down after rival militlas agreed a ceasefire but it served as a clear warning of what might happen if parliament

failed to agree today.

Syria, the main foreign power-broker in Lebanon with at Continued on Page 18

Growth of European iobs market reveals skill shortage

By John Gapper in London SKILLED labour shortages have emerged throughout Europe following a 1.6 per cent overall growth in employment in Organisation for Economic

Co-operation and Development countries last year - one of the stroogest ever recorded. However, employment growth in most OECD coun-tries is likely to slow to about 1 per cent between this year and

1999, and is unlikely to lead to a significant reduction in overall unemployment.
The OECD's 1988 Employment Outlook report says unemployment in several European countries is I per cent lower than it predicted a year ago, due to strong busi-ness growth and measures

aimed at tackling unemployment in some countries. Labour shortages are said to be less severe in European countries than in 1979-50, with the exception of Sweden and Norway. The report says a "somewhat disquieting" (eature is that European unem-ployment has remained rela-

tively stable. It says: "An increase in registered vacancies may reflect efforts by employment services to attract employer clients. But a less comforting explanation is that the unemployed seem not to be filling vacancles effectively."

The report argues that the persistence of long-term unem-ployment has led to confusion in the provision of programmes for the jobless, it says a new framework, concentrating on improving employability, is

needed.
Such changes could include
more flexible education systems to allow young people to work and study at the same time, an increase in retirement ages, and modifying working patterns to accommodate women who have children.

The report anticipates significant changes in the composition of the OECD labour force up to the year 2000. The proportion of young people and those over 64 is likely to decline relative to the "primeage" labour force aged 25 to 54. within this group towards those aged 45 to 54 means that retraining schemes, placement services and counselling may be needed.

An increase in the number of middle-aged, dual-career fami-lies combined with the fall in young people could mean a decline in the mobility of the Details, Page 2

France might consider cuts in nuclear force if talks progress

By lan Davidson in Paris

FRANCE may be prepared to offer reductions in its shorterrange nuclear forces at some future date, in the event of serious progress in the upcom-ing East-West arms control negotiations on conventional forces, a senior official said in

Paris yestarday.

The offier would represent a major turning-point in French policy. France has hitherto refused to offer any contribution of the property of tion to the process of nuclear arms control except on condi-tions so strictly defined as to be totally unrealistic.

At the same time it could introduce extra complications

into the Vienna conventional force negotiations.
French Administration thinking on the issue is still at an early and tentative stage

and falls well short of a hard or detailed proposal.

But the essence of the new development in French thinking is that the Soviet Union must first give convincing eviConventional Stability Talks (CST) in Vienna – of its readiness to conclude a satisfactory conventional arms control agreement, which means deep and asymmetrical cuts in Warsaw Pact forces.

These talks are likely to

prove long and complex. How-ever, if in two or three years the Soviet Union appeared to be satisfying Western require-ments, then France could offer to slow down, or cut back, the modernisation of its theatrebased nuclear arsenal.
In practice, this would proba-hly mean reducing, or cancel-

hiy mean reducing, or cancel-ling, the Hades land-based mobile missile system which is scheduled for deployment early in the next decade.

Alternatively, a French nuclear offer might also apply to the nine squadrons of nucle-

ar-weapon aircraft. By con-trast, the six strategic nuclear missile submarines and the 18 land-based missiles on the Plateau d'Albion would in any case be excluded. The French

Administration continues to insist, as do the other members of the Western some alliance, that nuclear weapons are not on the agenda of the CST because these negotiations will deal only with conventional forces. By implication, there-fore, a conditional offer on French theatre nuclear weap-ons would appear to be intended to have the character of a sweetener or incentive to add impetus to the CST.

But a senior European diplomat yesterday reacted unfavourablyto the new French idea on the grounds that it might appear to imply a trade-off of tanks against nuclear weapons, which Nato has consistently refused.

The French official made clear that the development of the new ideas would need to be co-ordinated with the other members of the Nato alliance. Discussions within Nato were

Continued on Page 18 Trade figures, Page 2

Moscow: Kostruma goes withnut meat as

New Deline India drops its hill to curb the

A Major Self-Contained Office Building of 67,400 sq ft For Sale or To Let AVAILABLE NOW-OCCUPATION IN MAY 1989



Weekend FT

survived three years as

100th' Diversion, with

dence - at the forthcoming CONTENTS Why the political tide is running in George Bush's favour



The US Vice-President campaign focus on the Americans that to vote

cer material Editorial comments Action on LDC debt; partnerships in inner cities ... Politics Today: British opposition needs a leader of the pack Lex British Steel; RMC; LVMH; Logica; Bel-

Weather World Index

EC attacks US trade 'time bomb'

Italians concerned over influence in EC

By William Dulfforce in Geneva

THE NEW US Trade Act was a time bomb which could blast apart the wbole multilateral trading system, the European Community warned the council of the General Agreement of Tariffs and Trade yesterday.

In a toughly worded statement reflecting Brussel's fears about the potential for protec-tionist US action in the act. Tran Van Thinh, the EC's chief action by the US.

representative to Gatt, said its provisions could increase resort to unilateral trade

They also reduced the scope for the administration in

By John Wyles in Rome

GROWING concern that Italy's international influence is not

mcreasing with her economic

weight is sparking the first debate within and between the

political parties over the country's choice of nominees to sit

on the oew European Commission, which takes office next

The issue surfaced with

some vivacity at a three-day conference behind closed doors

in Vernice this week, organised by the Italian section of the

Mr Engenio Scalferi, the highly infinential editor of

Italy's best selling La Repub-

blica newspaper, gave it a first airing at the opening session on Monday, to be followed on Wednesday by Mr Giorgio La Maifa, the secretary of the

Republican Party. Mr La Malfa revealed that he

had written to Mr Ciriaco De Mita, the Prime Minister,

stressing the importance of

selecting commissioners of the

highest quality and requesting a discussion between the five

coalition parties on possible

The move reflects partly a conviction that the Commu-

By John Wyles in Rome

THE ITALIAN Cabinet last

night adopted 1989 budget targets which will cut 130,000bn (\$21.5bn) off the underlying

public sector deficit through

increased revenues and spend-

Many of the measures aimed

the accompanying measures to

ing cuts.

Aspen Institute.

Washington to exercise its dis-

He acknowledged that Mr Clayton Yeutter, the US Trade Representative, and the Reagan administration had fought hard to axclude protectionist

Nevertheless, the law enacted last month contained so many protectionist provi-sions that the Community would have to monitor its implementation closely.

Tran singled out the new

law's provisions on telecommu-nications and the criteria it lays down for US action on

MR Giovanni Falcone, Sicily's

celebrated anti-Mafia magis-

trate, has withdrawn his request for a transfer out of

Palermo following the support expressed for him last week by

the Italian magistracy'e self-governing body, the Con-siglio Superiore della Magis-

tratura, writes John Wyles. His decision appears to end

Brussels and partly some dis-

satisfaction with the impact of

past and present Italian com-missioners.

Little criticism is directed at the current senior Italian Com-missioner, Mr Lorenzo Natali,

the Christian Democrat respon-sible for the Community's rela-tions with the Third World, but

much more at the Socialist nominee, Mr Carlo Ripa de Meana, who handles cultural

It is understood that until

now, Mr Bettino Craxi, the

Socialist leader, intended to

reconfirm Mr Ripa de Meana for a second four-year term and

affairs.

nity's 1992 open market dead-line requires the strongest pos-sible Italian representation in mind.

intellectual property rights. He criticised the automatic triggering of new export

enhancement programmes, which the act calls for if the US finds that the reform of world farm trade in Gatt is not progressing to its satisfaction. lo the agricultural talke under Gatt's Uruguay round, the US is pressing for the elim-ination of all exports subsidies

on farm products, an aim which the EC has so far refused to entertain. The EC would have no choice but to take immediate

action to defend its rights

cone's highly damaging public

row over working methods

with Mr Antonio Meli, Pal-ermo's chief inquiring magis-

trate. The CSM last week defended Mr Meli's authority over Mr Falcone and his speci-

alised pool of anti-Mafia mag-istrates while asserting that the pool must be preserved

If he did so, he might turn to

Mr Renato Ruggiero, former director general of the Foreign Ministry and Italian permanent representative to the EC, who is now Minister for Foreign Trade on a Socialist nomination.

The Aspen conference, called

Italy Today and Tomorrow - a Country for '93, revealed a high degree of confidence among husiness leaders and

politicians about the ability of the Italian private sector to face up to the challenge but considerable donbts about whether the country's political class could deliver the neces-

sary reform of public finances, administration and services. Mr Cesare Romiti, the man-

ANTI-MAFIA MAGISTRATES RECONCILED

under Gatt if they were affected by the act's provisions. In rebuttal Mr Michael Samnels, the deputy US trade representative, said the idea that the Trade Act was protectionist was balderdash.

The worst trade protectionist proposals had been stripped from the bill, and the US was firmly committed to a multilat-

eral trading system.
It preferred to settle all differences over trade in Gatt. This was not possible at pres ent but changes could be intro-duced in the Uruguay round which would make it possible.

and strengthened.
Mr Meli had allegedly

sought to end the pool's monopoly of Mafia investiga-tions and to require its mem-

bers to take on non-related work. He has expressed his pleasure at Mr Falcone's deci-

sion and both men, it seems, are now pledged to work

aging director of the Fiat Group, said that while Italian public spending as a percentage of domestic product might be broadly in line with the rest of Europe, the resulting services were not comparable in quality, efficiency or reliability. In characteristic style he lamented the "stupid and dirty" pursuit of private interests by some politicians.

While Mr La Malfa thought that the Government's plan to

While Mr La Mais thought that the Government's plan to stabilise public debt at 108 per cent of Gross Domestic Product by 1992 lacked sufficient urgency, Mr Glanni De Michelis, the Socialist Deputy Prime Minister, insisted that policy was heading in the right direction and must be encouraged.



Thatcher in appeal on **EFA** future

Gouzalez: "lively argument"

By Peter Bruce in Madrid

MRS Margaret Thatcher, the British Prime Minister, appealed to Spain last night to confirm its participation in the four-nation consortium planning to build the £22bn European Fighter Aircraft.

Spain has delayed joining the EFA's development phase, citing a lack of funds. There are fears among the other partners that it may try to reduce its planned participation from 13 to 9 per cent.

British and West Germany each have 33 per cent of the project and the Italians 21 per cent. Paris has tried hard to persuade Madrid to join its rival Rafale project but

rival Rafale project but Spain's doubts about the EFA are not thought to imply that it is about to succumb to France's blandishments. A reduction of the Spanish stake in the EFA would be difficult

for the other partners to absorb financially. Mrs Thatcher said full Spanish participation "would be a tremendous step in our indus-trial co-operation as well as making a vital contribution to onr common defence in

Europe."
Earlier, she is reported to have had a "lively argument" with Mr Gonzalez over "capital movements stemming from differing views on capital tax-ation," according to a British

The 12 EC nations agreed to liberalise capital movements in a landmark decision last Inne - with the rider, imposed at French insistence, that the Commission must come up with ideas for reducavoidance and evasion" arising from differences in national tax regimes; and that member states must act on

Britain, in line with its opposition to the harmonisaion of indirect taxes, opposes the idea of a pan-European

regime for tax on capital.

In a largely conciliatory speech, Mrs Thatcher went out of her way to congratulate Mr Gonzalez for bringing Spain into Nato in the 1986 referendum here and she said she hoped Madrid's application to join the Western European Union (WEU), the seven-nation European defence grouping, would be successful.

The leaders apparently did not discuss the once thorny issue of Gibraltar at all when

they met in the morning and Mrs Thatcher last right said only that it was not realistic to expect an early resolution of the differences.

the differences.

Apologising for intermittent had behaviour of British tourists on holiday on Spain's south coast she said "that small minority who do behave bedly are a scource of shame to all decent British people, and we fully support you in dealing very firmly with them".

Kostroma goes without meat as Soviet towns suffer

By Quentin Peel in Moscow

THERE is no meat rationing in the neighbouring town of the Soviet provincial town of Yaroslavl to find carp they the Soviet provincial town of Kostroma. There simply is no

Meat to buy.

Nor is there much milk or sour milk products, and supplies of the local cheese are reserved for invalids and war veterans only. Sugar is on ration and there

is no more than a poor selec-tion of fruit and vegetables for the time of year. In winter and spring you cannot get any at all If you want to buy meat or sausage, then the answer is to go to Moscow, 300 km away, according to Mr Valery Arbuzov, chairman of the regional agro-industrial complex.

on the other hand, butter, chicken and geese are relatively freely available in the shops of the town on the Voigariver, while its fish shop actually attracts purchasers from

can't buy there.

can't buy there.

The sorry story of a Soviet provincial town and its food supplies was told at a conference of the All-Union Marketing Research Instituta, and reported this week by the newspaper Moscow News. It was presented, admittedly, as one of the worst examples in a survey of food shortages in 140 survey of food shortages in 140 different towns.

It is not just shortages which bedevil the poor residents of Kostroma, either. If the report is to be believed, their roads are so had that milk cannot be delivered from outlying areas to the cheese factory: they fly it in by helicopter instead.

"There is no money and labour for road construction," the conference was told, "but

huge sums are epent on the milk-run belicopters". Yet Kostroma is supposed to be an agricultural region, and therefore sends one-third of its meat produce to the rest of the Russian republic. The result is that the Inhabitants of Kos-iroma est 20 kilos less meat per head per year than their

neighbours. The example of Kostroma revealed one key point: that the greatest shortages of food products are in the small towns which account for 75 per cent of the Soviet Union's urban population. The least shortage is in the biggest towns and cities.

The market researchers con-cluded that much more leeway should be given to local initia-tive, and more food imported to satisfy genuine demand.

Uncertainty deepens over Rafale project

By lan Davidson in Paris

UNCERTAINTIES France's planned high technology Rafale combat aircraft programme, which were aired last week by Mr Michel Rocard, the Prime Minister, to devastating effect, have again hit the head-lines with the amblication of lines with the publication of the conclusions of a parliamen-tary report on the controver-

sial project.
Last week Mr Rocard described the Rafale programme as a "disaster case", and conceded that he was uncertain whether it could be saved or not. The main threat to the project, which France is developing on its own, is its cost, projected to total FFrizon (£11.3bn).

The Prime Minister's ambiguities over the prospects for Rafale, which prompted pro-tests from the trade union movement, were precipitated by the publication in the news magazine L'Express of a damn-ing article headlined "An Abyss of Billions [of francs]", which claimed to be based on the parliamentary report, and which asserted that Rafale was far too expensive.

Since then the Prime Minister's doubts have heen disowned both by the Presidency and by his ministerial colleagues. A top Elysée official yesterday said: "The decision to produce the Rafale has been

Spelling out next year's

defence budget, Mr Jean-Pierre Chevenement, the Defence Minister, declared that the programma was "essential for our defence", and that its financing would be continued in line with previous commitments. The Rafale was launched, with initial development contracts, by the previous conservative government before the Presidential elections.

A new twist in the sage has

tended to confirm the reasons for Mr Rocard's criticisms of the project, however, even if the aircraft programme has so far emerged unscathed. The bulk of the parliamentary report, by a former Gaullist deputy, has now been released, and it bears ont the overall

cost estimate published by L'Express last week. Although Rafale would not cost more than the existing Mirage 2000 programme (FFr7.4bm a year, or a third of the air force's equipment bod-get), the report claims that France can only afford such a project on two conditions: that the industrial companies involved in the project (Das-sault, SNECMA, Thomson, Electronique Serge Dassault) should bear a quarter of the FFr40bn development cost; and that the burden of the project should also be shared with foreign partners. Both these conditions appear to be in considerable doubt.

against Paris on N-plant By Tim Dickson in THE French Government was

Court rules

vesterday found guilty under European Community law of failing to provide adequate advance notification of its plans to bring on stream the nuclear power plant at Cattenom, near the Luxembourg

The ruling from the Euro-pean Court of Justice not only boisters the European Commis bolsters the European Commission's authority in matters of nuclear safety but breathes life into the moribund treaty establishing the European Atomic Energy Community (Euratom). Yesterday's case hinged on Article 37 of the Euratom treaty, which requires member states to supply the Commission with "general data" about plans involving radioactive emissions, but which is somewhat vague on timing. The what vague on timing. The allegation was that the French Government had violated this article by giving its own authorisation for the plant in February 1986 but only provid-ing the Brussels authorities

with the relevant information in April.
This meant that the Commission did not have sufficient time to deliver its own legal (but non-binding) opinion on

the French plans. The Court ruled that Article 37 be interpreted in such a way that the information should be supplied to the Commission before the member state's own "competent authority" had anthorised the emission. The Court also emphasised the "extreme importance" of the Brussels opinion.

The next move will be up to a French national court in Strasbourg, which heard the original case brought by local Luxembourg, French and West German groups and which referred it to the European

Setback for Strasbourg By William Dawkins in Brussels

THE French Government's hard-defended right to play host to the European Parlia-ment's plenary sessions in Strasbourg has received a seri-

ous legal blow. The European Court of Justice yesterday ruled that the Assembly's 518 members should be allowed to hold at least some full meetings in Brussels, though they should be still obliged to hold their regular monthly sessions in the northern French city.

It is the first crack to emerge in one of the European Community's most striking eccentricities, a parliament with committees based in Brussels; technical services more than two hours' drive down the motorway in Luxembourg, and a full monthly meeting two hours further on in Strasbourg.

Euro MPs have long bewailed being obliged to epend so much time on the road. They say it harms efficiency and costs at least £25m per year, rising to £50m if extra It is the first crack to emerge per year, rising to 250m if extra staff costs are included.

They voted in 1985 to order a new Brussels headquarters for occasional extra plenary sessions to cope with the assembly's burgeoning workload.
The French Government immediately issunched a legal action.

FINANCIAL TIMES

was an 18 per cent increase in female relative earnings in Denmark between 1970 and 1977.

A variety of governments have pursued policies for the improvement of the position of women in the labour markets. 14 East 60th Street, New York.

However, Mr Gluliano said last night that he expected

will range from a new tax regime for the self-employed to include health and welfare economies, reduced transport subsidies and increased value added taxes.
The Minister said that he

considered the deficit "satisfac-tory," although it is above the L115,000bn target set by the Government's medium-term plan for stabilising public debt as a proportion of gross domes-tic medium to 1602

casts, the higher cash deficit will be the same percentage of be adopted next week. These Gross Domestic Product - 10

per cent - as was the original

target.
The budget manoenvre is based on raising Treasury revenues by L14,800hn, after allowing for a L6,500 to L7,000bn reduction in direct taxes, and on spending economies totalling L15,400bn.

A major contribution on the

revenue side is likely to come from new health charges while a slowdown in the rising trend of expenditure bas heen achieved by limiting the ual ministries to 14 per cent of their 1987 outlays.

Yesterday's decisions were

taken against the reassuring background of revised official forecasts by the Budget Ministry of a growth rate this year of 3.6 per cent against an ear-lier estimate of 2.8 per cent.

Expectations for next year are based on a 3 per cent growth rate, an inflation rate of 4 per cent, a further 1 per cent rise in employment and a current account in broad bal-

Exports are forecast to rise by 4.5 per cent and the growth in domestic demand to fall from 4.2 per cent to 3.5 per

French left face test in cantonal elections By Ian Davidson in Paris

THE FRENCH Socialist government of Mr Michel Rocard faces its first test of voter approval since the general elections in June, with the opening round of the cantonal elections which take place on Sunday.

Most forecasts predict that the right-wing parties will do better than the Socialists, partly in automatic reaction to the general election result, but mainly because the rural areas are over-represented by the

cantonal boundaries.

The right-wing parties hold a majority of seats in 68 departments, whereas the left control 27 That balance is unlikely to be tilted substantially, though the left hope to recapture two departments from the right.

showing of the extreme right-wing National Front. Mr Jean-Marie Le Pen, the party leader, caused a nationwide shock when he won more than 14 per cent in the first round of the presidential election. But the score fell to under 10 per cent in the first round of the gen-eral election and the party lost all but one of its seats in par-

The chances of the National Front will depend critically on whether it can secure de facto whether it can secure de facto allancee with traditional right-wing candidates. After flirting with the National Front during the Presidential and general elections, the Gaulliet party recently announced that it was ruling out any deals. But it remains to be seen whether its local One key indicator will be the to be seen whether its local

party representatives stick to that ruling.

The main anxiety of the opposition parties is that their built-in advantage will be undermined by a low turnout. In the last two cantonal elections, around a third of the voters stayed away from the polls, and this time the abstention rate could be even higher as a result of voting fatigue.

Moreover, a recent public opinion survey suggests that nearly 60 per cent of the electorate will make its decision on polling day on the basis of per-sonalities and barely a third on the basis of political affiliation. Only 30 per cent wish the elections to convey disapproval of the Government, whereas 40 per cent want to express sup-

port.
Although the cantonal elections (which choose the members of the Conseil General in
each department) attract less
public attention than the municipal elections, they acquired greater practical political importance as a result of the decentralisation introduced by the Socialists in 1982.

Since then they have taken over many of the local decision-making powers previously exercised by the departmental Prefets, with responsibility for roads, housing and education.
As a result, the political interest of the elections revolves around the balance of power within each Consell General and the election of its presi-dent.

Bonn to press ahead with arms competition plan

THE West German Defence Ministry is pressing ahead with proposals to increase international competition in European armaments procurement procedures.
This is partly a consequence

of the ministry'e wish not to become over-dependent on a single supplier after the planned link-up between Daim-ler-Benz, the motor group, and Messerschmitt Bölkow Blohm, the aerospace company.

If the deal goes ahead, the resulting concern would dominate most areas of the West derman arms industry, taking about 36 per cent of current procurement spending and well over half of future development and procurement expenditure intended by the ministry.
Plans for widening co-opera-

tion in European arms procure-ment were discussed between Mr Enpert Scholz, the West German Defence Minister, and German Defence Minister, and project but also on other corpo-his opposite numbers from rate and management details.

other European countries at an informal meeting earlier this month in Avignon, France. Defence ministers from the 13 European members of Nato which belong to the Indepen-dent European Programme Group are-expected at their next meeting in Luxembourg on November 9 to endorse proposals to open up the frag-mented and secretive Euro-pean market for armaments.

The plan for Daimier-Benz to taka a 30 per cent stake in MBB, which would form one of the world's largest and most diversified engineering, aero-space and defence conglomerates, has not been given the formal go-ahead. . It is still the subject of tough

discussions between Daimler-Benz and the Bonn govern-ment, focusing not only on the financial risks of MBB's participation in the Airbus airliner

THE OECD REPORT ON EMPLOYMENT PROSPECTS

Job vacancies rise due to skill mismatches

By John Gapper

FALLS in unemployment in several European countries in 1987 were accompanied by sig-nificant increases in levels of unfilled vacancies and the re-emergence of actual labour shortages due to skills mismatches.

This development is said to have prompted renewed interest in many countries in educatioo and training provision for the unemployed. There has been a "rediscovery" of buman resources as a significant determinant of economic performance. The Organisation for Economic Co-operation and Development says that employment growth in the past five years has been in line with the best historical experience, but a relative stability in unemployment continued in 1987. Total employment in the OECD area is expected to grow by about 1 per cent on average between 1987 and 1989, but growth in central and western Europe could be as low as %

per cent, compared with 2 per cent in North America. Employment in the area increased by 1.6 per cent in 1987, a similar increase to the

previous year. Europe's 1 per cent employment growth was the best since 1973, and signifi-cantly faster than the long-term trend of 0.3 per cent. Job growth in southern Enrope was particularly strong in Spain, the continu-ous decline from 1975 to 1985 was reversed and a growth of 2.3 per cent in 1986 was fol-lowed by a growth of 3.2 per cent in 1987

The OECD's 1988 Employment Outlook says unemployment is lower than seemed likely a year ago. However, although there may be a for-ther fall in 1989 in North America, no further improvement is expected in Japan and Europe.

The report says that increased emphasis on training has taken the form in several countries of a gradual modernisation of education systems, and the switching of resources from temporary job schemes to training for long-term unem-

The coocentration of scarce resources oo young people is one reason wby there has been a recent fall in youth unemployment relative to the total.

Other factors are the fall in the number of young people and lower youth wage rates. Although the participation of women in the workforce has increased substantially and will grow further, the report says their contribution is not fully developed. Policy changes

such as increases in child-care provisioo could help this. Unemployment is said to persist as a serious labour market problem in many OECD countries. Countries including Bel-glum, France, the Netherlands and tha UK hava recantly undertaken blg initiatives in this area.

The teenage share of male employment between 1973 and 1987 declined evarywhere except Norway and the UK. one factor behind this being the fall in the teenage populatioo of most countries. The participation of adult women

The unemployment rate of youths has declined nearly everywhere in recent years, the only exceptions being Italy and Japan. The overall youth share of unemployment fell by **Employment trends** 1979 - 100

Sepan Seco Total 89

5 per cent between 1982 and 1987.
The total labour force is proj-

the year 2000 in 10 countries. The lowest growth is expected in Finland, and the highest in the US, Canada, and the ected to rise by between 0.1 per cent to just over 1 per cent by

Growing role for working women

By John Gapper

A RAPID growth in women's participation in labour forces in all OECD countries except those in Southern Europe over the past 20 years reached the stage in 1987 where women in the Nordic countries participate almost as much as men. Women aged 25 to 44 have registered substantial increases in their share of total female employment, and the pattern is expected to continue, with some declines among younger and older cohorts of women in several countries.

In seven of ten countries -

the exceptions heing the United Kingdom, Japan and tha Netharlands. tha Netharlands - young women are expected to participate in the labour market without the traditional interruption due to child bearing.
An analysis of women's employment in the report says

the growth of participation over the past 20 years is a relatively recent phenomenon. There was no clear upward trend until the second half of this century in five countries. The analysis finds that women still do very different

jobs from men, both according to occupations and their employment status. Women tend to represent a high pro-portion of clerical and service employees.

It says that projections of increases in women's participa-tion rates depends on the assumptions that families will be able to resolve the "double burden" of child rearing and paid employment, and jobs will become available.

The proportion of part-time workers who are women is at least 60 per cent in most countries, rising to 90 per cent in some. However, by far the majority of women work majority of women work full-time – in many European countries around 75 per cent. The earnings of women rela-tive to men increased substantially in the post-war period. Among the aharpest changes was an 18 per cent increase in

women in the labour market,

Published by the Plannels Times (curope) Ltd., Frankfart Branch, represented by E. Hugo. Frankfart/Main. and, as members of the Board of Directors. F. Barlow. R.A.F. McClean, C.T.S. Dancer, M.C. Gorssan, D.E.P. Palmer, London. Printer: Frankfurter Societaers-Druckerus-GmbH. Frankfurter Times London EC4P 48Y. © The Financial Times Ltd, 1988.

PINANCIAL TIMES, USPS No 190640 published daily except Sundays

at delivering a targetted L117,250bn deficit next year - broadly in line with this year's shortfall - have yet to be agreed in detail by the Cabitic product by 1992. Because of an upward revi-

Italian cabinet adopts budget targets

Bush's second **Boston visit** iolts Dukakis

By Stewart Fleming, US Editor, in Washington:

They have left the opposition camp fuming and highlighted an issue which Mr Bush may turn to his advantage on Sunday night when he has his first television debate with Mr Michael Dukakis, the Democratic candidate.

tirt rules

ainst Paris

\-plant

Lim Dickson in

Continued to the contin

the fig.

The state of the s

ت<u>تن) کی ا</u>م در رستان

- 1.35 saffar

19 10 11 11 1W 医

The second state and

a di tarres la capita And the same of the party of the last 15 · 10000000

A comment of the letter in the rite.

Mr Bush's last visit to Boston, his opponent's home city, left the Dukakis election campaign apoplectic. He marched in last month to denounce the pollution in Boston Harbour and Governor Dukakis's record on the environment - an issue the Democrats thought they had made their own this year. Yesterday, the vice-president flew in to accept the endorsement of the Boston Police Patrolmen's Association, a piece of daylight robbery

designed to suggest to Boston-ians and to Americans at large that even the Massachusetts

governor's police force does not trust him to keep them

MR JAMES BAKER and his team at the head of Vice-President George Bush's campaign for the US presidency pulled off another coup yesterday. They have left the opposition camp fuming and highlighted twice Behind the scenes, however, the governor's men and his Bostonian ally, Mayor Ray-mond Flynn, had been trying for days to prevent Mr Bush dealing them this shrewdly timed blow.

Polls suggest that Mr Bush's attacks on Mr Dukakis for allowing criminals out on leave, and the implication that he is soft on crime, have been hitting home. Last week the governor responded by staging an anti-drug speech before a police audience in gang-ridden Los Angeles to try to counter the charges.

Mr Dukakis will have annual

nition of his own for the debate. Reports that the Administration is underestimating the cost of baling out the savings and loan industry, in order to avoid pre-election embarrassment, may give him an opening he can exploit.

gan leaves office next January. The absence from the curent meeting of Marshal Sergei

Akhromeyev, chief of the Soviet general staff, who has played an important role in

previous superpower summits, further indicated that central disputes over the US Strategic Defence Initiative and START are unlikely to resolved.

Shevardnadze and Shultz in chemical arms talks

By Lionel Barber in Washington

MR EDUARD Shevardnadze, nuclear weapons arsenals Soviet Foreign Minister, carry- before President Ronald Reaing what he said were new pro-posals on chemical weapons and strategic weapons, opened two days of talks yesterday with Mr George Shuliz, US Secretary of State.

The talks were expected to produce only modest progress because of the imminence of the US presidential election in

The modest expectations were contrasted with previous meetings of his with Mr Shultz, when both men wrestled to bridge last-minute differences on the INF treaty to eliminate medium-range nuclear mis-siles. It was ratified this year.

A senior State Department official, Ms Rozanne Ridgeway, ons. He said proliferation was ruled out this week completion, of a proposed accord to halve the superpowers strategic gas against Kurds.

Iraq hints tough line on gas war sanctions

By Nancy Dunne In Washington and Victor Mallet in London

IRAQ hinted vesterday that it would retaliate against any international sanctions over its reported use of chemical weapons against Kurdish rebels, while the US Congress moved towards using such sanctions to prevent chemical

Asked about Irag's response to a range of sanctions being considered by Congress, Mr Sandoun Hammadi, Iragi Minister of State for Foreign Affairs, said in London his government would take "proper measures" in return.
"We will not turn to them the

other cheek," he said.
Iraq has resisted international demands for a UN inquiry into allegations that its armed forces have used poison gas against the country's Kurdish minority. Western diplomats believe the Iraqi government might retaliate against individual countries that impose sanctions by dis-criminating against them in

commercial contracts and debt repayment negotiations. In Washington, the House Foreign Affairs Committee laboured over a bill which would immediately halt all military exports to Iraq and forbid the sale of items with a military application. The US president would have unspecif-ied time to negotiate with Iraq

over weapons use.

If he could not certify that Iraq was giving up the practice, then all credits and credit guarantees would be demied, Iraqi oil imports would be banned and diplomatic relations would be downgraded. The House bill is a milder

version of one already passed by the Senate. In the view of a State Department spokesman, the mere threat of new sanctions would encourage negoti-

Lt-Gen Colin Powell, White House National Security With the State Department Adviser, said the Administra orging caution, opposition to the stronger Senate sanctions tion would be willing to con-sider any new Soviet chemical has been rising in the House. The farm lobby is worried about what has become a \$1bn arms proposal, but the US would not favour a bilateral pact to han superpower production of the chemical weapons. He said proliferation was the problem. The US recently annual market for US grains and rice, and there are fears that sanctions would cause Iraq to default on the nearly \$2bn in credits already extended by the US.

Fear plays a vital role in Chile vote

Robert Graham on a campaign to win undecided voters in the presidential plebiscite

N the wide pedestrian thor-oughfares of downtown Santiago, the street-sellers are touting an unfamiliar kind of merchandise. For the first time in 15 years Chileans can publicly buy badges, T-shirts and even lighters with a politi-cal slogan against the military government of General Augusto Pinochet.

This is just one small symp-ton of how the regime has felt obliged to relax its grip in advance of the October 5 presidential plebisicite, in which the 73-year-old general is the single candidate. The fact that people are buying and wearing these badges, most of which have a simple 'No' sign, is symptom-atic of how in recent weeks ordinary Chileans have begun to lose their fear of expressing themselves in public.

Both the Government and the opposition are aware that fear in its various forms will play a vital role in the outcome of the plebiscite. "Pinochet is playing on the fear of the unknown to get the undecided vote," says Mr Ignacio Walker, one of the officials running the 'No' campaign. "We also have to convince people that the vote will be secret, otherwise they could be afraid of retribution for voting against Pin-ochet," he adds.

ocnet," he ands.

The polls have been showing that approximately one third of the 7.3m who registered to vote are still undecided. With a voter registration of over 92 per cent, more voters than the opinion polls credit have prob-ably made up their minds over whether or not to give Gen Pinochet a further eight years in office. Nevertheless, Pin-

ochet supporters and the 16-party coalition organising the vote against him accept that the undecided bold the key.

The existence of this block of undecided voters explains why both sides can talk so confidently of winning. Both believe they can capture the floating vote. "We reckon we will get above 54 per cent and below 60 per cent of the vote," says Mr Miguel Schweitzer, a former Foreign Minister associated populous Santiago is predomi-nantly anti-regime, that rural areas are pro-Pinochet and that the female vote is predisposed

towards the general.

Gen Pincohet is deploying the full apparatus of state to ensure be wins, from control of the main media down to using regime-appointed mayors. Nevertheless, he draws small crowds and the regime is being outmanouevred in the propaeanda war.



Chilean government propaganda warning of the disharmony which a 'No' vote could sow in the family and in society

with the pro-Pinochet cam-Gen Pinochet has said on more than one occasion that the floating vote will go to the the hoating vote will go to the perceived winner, and his campaign slogan plays up to this: "Chile, a winning country." The opposition, with more reputable polling methods, believes it will win 56 per cent on a conservative estimate of the floating syste.

the floating vote. Neither side disputes that

and then frozen for 120 days. Prices will now be allowed to

rise to what is called a realistic

Mr Salinas, explaining that

this was the result of a first evaluation of the anti-inflaton-

ary measures, promised there would be no alterations in pet-

rol prices, exchange and interest rates, nor in the minimum

legal salary established on Sep-tember 6.

Even his supporters privately acknowledge the success of the opposition's slickly produced 15-minute daily television slot. The theme skilfully destroys the pyschological resistance to voting 'No' and stresses the need to forget hatred and divisions in society. The spots are fast moving, breezy, modern and politically astute.

The Pinochet propaganda on the other hand suffers from

being conducted as a psychological warfare exercise by military personnel rather than a political campaign. The television spots begin with footage of riots and bomb damage and then the screen is gradually obliterated hy dripping red blood before switching to the other Chile: a joyful chorus chanting 'Yes.'

Such propaganda hopes to equate an opposition win with the political chaos and economic instability of the late President Salvador Allende's experiment in socialism. There is no message of national reconcilation. Instead the last of those exiled since the 1973 military coup (permitted to return this month) tend to be ridiculed in the regime-con-trolled media.

Gen Pinochet's image mind-ers have put him in a suit, in which he looks awkward and lacks the mystique of authority. Furthermore he delivers his speeches like military com-muniques, undermining the credibility of his new-found talk of democracy. When he speaks off-the-culf, his comments tend to be garrulous, rambling and vindictive.

The Pinochet campaign has been so obsessed with discrediting the opposition that it has so far failed to capitalise on the regime's principal asset: five consecutive years of sustained growth with low inflation, and balanced budget. By normal electoral practices, the Government has scarcely conceded a vote-catching hand-out. Even a cut in value added tax from 20 per cent to 16 per cent was conservative and pre-planned. "Economic policy has

not been altered to take account of the election - that would be irresponsible," commented a scnior government

official. However, some well-timed band-oots might have convinced the large number of people who have yet 10 benefit from economic growth that sal-vation is round the corner as indeed the Government is claiming. Instead, the tough daily grind for significant sections of the middle and work-ing classes is liable to go

against Geo Pinochet. Given that political activity has been repressed for so long. the political parties have managed to retain a remarkable hold over their public meet-

Under pressure from the legal opposition, the Manuel Rodriguez Front, the under-ground leftist guerrilla group, has annouoced a suspension of its activities for the duration of the plebiscite. The powerful Communist Party, which has long refused to vote in the plebiscite, is backing the 'No campaign from a discreet dis-

tance.
Leading figures organising the 'No' campaign are con-vinced that if Gen Pinochet detects the mood is swinging against him, be is capable of orchestrating a campaign of violence. This would make the point to the undecided that it is either him or chaos.

The running is still open, but in a country which has so ardentiy embraced the free market model the street sellers in Santiago may have the indicator. They are selling more

Peru begins to thaw its brief price freeze

By Veronica Baruffati in Lima

THE PERUVIAN government, under growing domestic pres sure, has started to retreat announced this month.

Mr Abel Salinas. Finance Minister, announced late on Wednesday corrections to the anti-inflationary plan disclosed on September 6. These included a thaw in the price

The original plan had demanded that prices for all products be set within 10 days.

Mutiny spreads among Haitian soldiers

HAFTIAN soldiers who toppled President Henri Namphy last weekend have mntinied against more commanders, and civilians are rallying to join level, except for those of basic commodities, whose prices will remain subsidised and frozen the uprising. AP reports from Port-au-Prince.

Coup leaders who put Lt-Gen Prosper Avril in power have demanded that he institute democratic reforms.

Mutineers were rounding up agents of the Bureau of Crimi-nal Investigations and leaving them at army headquarters in Port-au-Prince before cheering crowds, local radios reported.

Argentina may let private funds into public sector

By Gary Mead in Buenos Aires

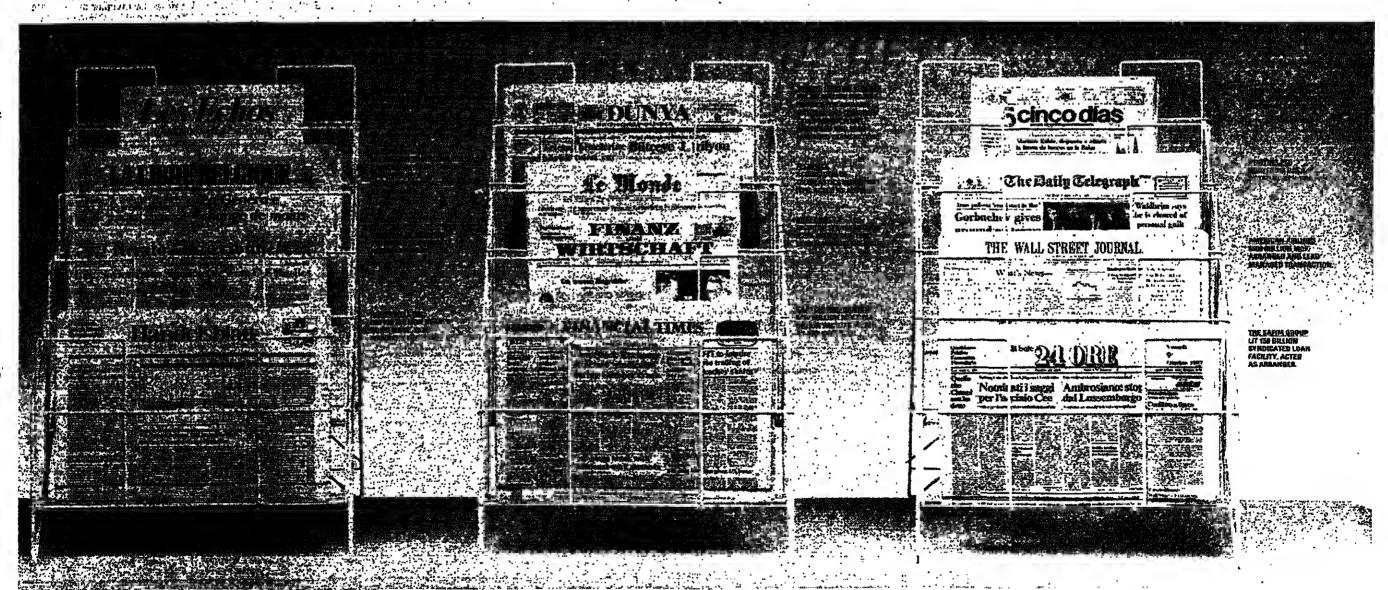
THE Argentine Government has announced its intention to introduce a bill to allow private capital into state-owned enterprises.

Mr Horacio Losoviz, head of the Public Works Board, said the draft law will be presented to Congress next week.

Motives for a change have been highlighted recently by negotiations to sell 40 per cent of two state-owned enterprises to foreign companies. Scandinavian Airlines Systems (SAS) recently agreed to buy part of

Aerolineas Argentinas, and the Spanish telephone company Telefonica proposes to take a similar stake in Entel, the telecommunications body.

Under current Argentine law, both deals - and similar ones planned for railways. shipping and other entities require congressional approval.
Such approval has not ben
given yet for the SAS purchase
because the Peronist opposition majority in the Senate adamantly opposes it, being also likely to fight the new bill.



Chase: See local press for details.

Few investment banks have Chase's ability to execute such a wide range of deals in so many places. Doing so takes not merely skill and experience but also resources beyond the reach of most banks.

For example, a vast global network an unparalleled customer base, commercial banking capabilities and a substantial capital base. In recent months, we've advised on and executed numerous

deals for companies throughout Europe and the rest of the world. Deals involving currency and interest rate swaps, mergers and acquisitions, syndications, corporate finance and project financings.

Many of which only a bank like Chase, combining our investment and commercial banking skills, could bring off.

For example, Chase acted as arranger for a \$450 million multiple option facility for Saatchi & Saatchi plc, lead managed a SFR120 million bond issue for the Woolwich Equitable Building Society, was appointed as a dealer on an unlimited ECP programme for the Kingdom of Belgium and arranged and lead managed a DM317 million tranche for the Ambarli Power Plant project in Turkey. These are just a few.

But they're typical of our global banking capability that integrates size, international network, regional knowledge, specialized industry expertise and the broadest range of investment banking products.

Which is what so clearly distinguishes Chase from other financial institutions around the world.

So instead of taiking to people who could only give half the answer, call Chase for the total financial solution. And get a banking service that's making news everywhere.



thack for raskoute Cant Dawkits:

AMERICAN AIRLINES BUSINESS CLASS.

MORE ROOM AND MORE COMFORT WITH OUR SEATING.

American Airlines

Something special in the air. For reservations on our daily non-mop flights from the UK, France, Germany, Spain and Switzerland to the USA, and connections to our network of over 200 North American cities (some in conjunction with American Eagle, our regional airline associate), contact your travel agent or nearest American Airlines office.

OVERSEAS NEWS

Delhi backs down on press curb legislation Australian asbestos By David Housego in New Delhi group loses The Prime Minister's conces-Gandhi, the Prime Minister, in THE INDIAN Government dropping the legislation, and said that "now the decks have

yesterday took the unprecedented step of abandoning controversial legislation that would have restricted investigative reporting by newspapers into corruption scandals. The move was immediately

By Chris Sherwell in welcomed by journalists and publishere associations and would seem to put an end to a THE unexpected withdrawal of dispute that has dominated politics over the last three its insurance cover bas suddenly rendered CSR, one of Australia's largest industrial groups, potentially liable for heavy damages payments to sufferers of asbestos-related weeks. Mr C.R. Irani, managing editor of The Statesman and the newspaper industry's spokesman over the issue, praised the courage of Mr Rajiv

The group said yesterday it was "surprised and dismayed" at the move, announced on Wednesday night by the West-ern Australian State Govern-ment Insurance Commission

insurance

cover

Mr Frank Michell, the SGIC's mar Frank Michell, the SGIC's managing director, said in a press release that the policy providing cover for Midalco, the CSR subsidiary which operated the now-closed Wittencom asbestos mine in Western Aus-

tralia, was "considered to be inoperative".

There are no authoritative estimates of the liability the SGIC or CSR might face over Wittenoom, which has been dubbed "Australia's Bhopal". But it is thought to run into tens of millions of Australian

dollars.
The SGIC's announcement followed a decision by the Supreme Court of Victoria ear-lier this week to reject Midalco's appeal against the award of exemplary damages to a for-mer Wittencom worker who is suffering from the incurable asbestos related lung cancer called mesothelioma.

called mesothelloma.

In May, a jury awarded 52year-old Mr Klaus Rabenalt
compensatory damages of
A\$426,000 (£200,000) and exemplary damages of A\$250,000
against Midalco, in what was
believed to be Australia's first
instance of a jury awarding
exemplary damages against an exemplary damages against an employer for an industrial acci-

dent.
At the time, CSR pointed out that it was not affected by the award, saying the finding was against Midalco and Midalco was insured. Midalco and the SGIC decided to pay the A\$426,000 bnt to appeal against the runnities democracy.

the punitive damages.
But in this week's appeal court decision upholding the damages, the judges said a strong case was made support-ing a finding of recklessness, and of "continuing, conscious and contumelious disregard" by Midalco for the employee's right to be free from risk of

injury or disease, According to Mr Michell, the decision meant Midalco bad been aware of the dangers associated with asbestos dust able precautions. It had also failed fully to disclose the dangerous nature of the Wittenoom mine operations to the Insurance Commission," Mr

Michell said. CSR was also said to have been warned back in June of the probable withdrawal of insurance cover if the appeal was lost. But yesterday the company said Mr Michell, as recently as August 25, had confirmed the SGIC's 1983 agreement with Midalco on the handling of Wittenoom asbestos claims, and declared its belief that the SGIC was in breach of that agreement and of its obligations under the insurance

CSR went on to threaten court action if the SGIC pursued its course of action, and warned that this would mean delaye in the resolution of claims hy people employed at Wittenoom after January 1959, the date from which Midalco had cover from the SGIC.

The Rabenalt issue is one of two big legal cases involving former Wittenoom workers. In the other, the Western Austra lian Supreme Court awarded damages of more than A\$370,000 to two men who worked at the mine and subsequently contracted mesotheli-

than three-quarters of the workers' compensation claims with the SGIC involved the less serious dust-related disease asbestosis. For this there has not yet been a successful court claim against either CSR or

CSR said then that more

been cleared" the press was prepared for consultations. The complete withdrawal of

the Defamation Bill follows an already substantial climb down by Mr Gandhi a fortnight ago when he announced that the Government would delay presenting it to the Upper House of the Indian parliament, But he announced at the time that he was still committed to the bill - while offering consultations with journalists on how it

sion failed to stem the outcry among journalists and newspaper publishers' associations which refused to discuss a tightening of the libel laws until the Government with-drew the bill.

In recent days journalists have walked out of ministerial press conferences in protest at the bill. They have also taken to wearing black badges – a symbol that the Prime Minister asked questions about about when his toured the Punjah Mr Gandhi's unexpected

statement yesterday was unprecedented in withdrawing legislation that bad already passed the Lower House. It acknowledged that the bill had aroused "misapprehensions and misgivings" and said that the Government was dropping it to allow a "wider and fuller national debate" on the issues of libel and defamation in the

The Prime Minister said the Government might create a new forum in which this debate could take place. But in setting no timetable and offering no specific auggestions, the

Government's intention for the time being is to put the contro-versy on the back-burner.

The withdrawal come significantly on a day when the opposition demonstrated Mr Gandhi's political vulnerability by taking a further step to set-ting their internal differences. Three northern-based, largely Hindl-speaking opposition groups, announced that they would marge to form a new party under Mr V.P. Singh, Mr Gandhi's former Finance Min-ister and now the most popular of the opposition leaders.

Chinese still out in the cold after amnesty

John Murray Brown on a milestone in the history of Indonesia's ethnic minority

N IMPORTANT milestone in Indonesia's often fraught relations with its ethnic Chinese minority has passed with the end of a year-long annesty for several thousand stateless Chinese, left stranded when Jakarta hroke off relations with the People's Republic more than 20

years ago.
The amnesty marks the formal close of a programme to naturalise all the country's 5m Chinese, first lannched by President Suharto in 1980 in a bid to finally resolve the legal status of this small hut economically powerful ethnic

A government census of 1986 estimated the number of so-called alien chinese – those who still have not registered as Indonesian citizens and carry Chinese or Taiwanese papers, or in some cases, no papers at all - at 250,000. However officials now say only a few thousand remain. Mr Ipmail Saleh, Justice

Minister, warned last month: "As illegal immigrants they can't be allowed to roam free." He threatened arrest and possihle confinement to an outer island detention centre for those who failed to register with the authorities.

Indonesia and China agreed to waive dual nationality rights in 1960. At the time most

chose Indonesian citizenship. but when relations were frozen in 1967, those who opted to return to China were left stranded without papers. Indonesia is the largest coun-

try in the world not to have formal relations with China. Peking is accused of supporting the failed communist coup in 1965 which allowed General Suharto to seize power. Within

the Indonesian military, there remains the lingering suspl-cion that the country's Chinese

may try to subvert President

Suharto's New Order regime. Earlier this year, intelligence

chiefs claimed that Peking was

continuing to give sanctuary to a small band of elderly Indone-

sian communists. Officials also

mention the \$83m owed by Jak-

arta to China — the only item ontstanding after Indonesia rescheduled the massive \$2bn foreign debt inherited from President Sukarno, the coun-

For all that, there is considerably more flexibility in

Indonesia's position today than for many years. This has done much to fuel rumours — all vehemently denied - that Presi-

dent Suharto is about to nor-

try's first leader.

malise relations with Peking. The visit of a Chinese acrobatic tronpe to Jakarta this month tempted one local news-paper to ask whether this was the start of ping-pong diplo-

macy - a reference to the ice-breaking which previewed the renewal of ties between China and the US in the 1970s. There has already been an improvement in trade ties after

the signing of a protocol on direct trade in 1985. Many offi-cials also point out that the need for formal political ties will be all the more pressing with the handover of Hong

Kong in 1997, currently a key

conduit for Indonesia's indirect

ia's sinophobia has as much to do with its own ethnic Chinese

problem. Many were killed in the popular anti-communist backlash that followed the 1965

coup. Today their schools are closed down. Chinese script is banned from public display. A special body, the Chinese Prob-

lems Co-ordinating Agency,

has been set up to persuade Chinese to take Indonesian

names and convert to Islam,

the religion of 90 per cent of

Observers believe Indones-

the country's 175m population. Like commercially strong minorities everywhere, the Chinese are an easy scapegost when, as at present, the econ-omy is under strain. They are resented by the less hardworking locals, and have been the target for racial attack, partic-ularly by hardline mostems. The Government claims there is no discrimination. The terms

to demoiss the former Chinese Embassy, one of the capital's oldest and architecturally finest buildings, to make way for a multi-storey car park.

A large part of the problem is that many othnic Chinese still cling to their old ways, and Indonesians are loath let them former them. Many comthem forget them. Many com-mentators feel President Suharto could do more to counter the prejudice.

from Taiwan for their floor

shows. There are even moves to demolish the former Chinese

Even naturalised Chinese who change their names feel themselves outcast, branded by a special code on identity cards that all Indonesians carry. It is To encourage the rich Chinese to invest in Indonesia, he often hard for Chinese to enter universities or gain jobs in certain sectors pribumi or native and non-pri-bumi are divisive, officials say.

nese to invest in Indonesia, be does favours for a trusted few, like Mr Liem Sloe Liong (Indonesian name Soedono Salim).

Chinese in public service fare less well. In the powerful armed forces, it is difficult for Chinese to get regular commissions except, for example, as army doctors. They rarely rise to the rank of colonel, and never higher than that and should be stopped. But even naturalised Chinese who change their names feel themselves outcast, branded as they are by a spe-cial code on identity cards that all Indonesians carry. It is often hard for Chinese to enter never higher than that. state universities. Jobs as teachers and civil servants are frequently blocked, as well as

never higher than that.

In more than 20 years of Suharto's New Order Government, no Chinese has been chosen as a minister. Indeed Mr Kwik Kian Gie last year becams the first local Chinese to take his seat in the country's National Assembly, without first changing his name. Paradoxically, Mr Kwik is a member of the small nationalist party, the Indonesian Democratic Party.

Investment

SOUTH AFRICAN direct

investment abroad is based on the attempt to establish foreign links most likely to be valuable

in the event of further eco-

nomic sanctions, according to a Commonwealth study, Step-

The study suggests that

"approval for such outward investments is closely related

to the development of South

African export markets or the

'strategic' protection of market links".

Any such investment must

be approved by the South African Reserve Bank and the bank has been known in "worthwhile cases" to approve

remission of a portion of investment funds at the more

advantageous commercial rand

Investments are not being allocated where they best meet

investors' expectations of returns and security, but are

being focused on the domestic

aimed at

sanctions

Hong Kong \$12.4m court case fails

MR FRED LEE, a Hong Kong-based Taiwanese busi-nessman, has failed in his court action against the Stan-dard Chartered Bank to secure the return of \$12.4m it surrendered to a New York Court in connection with an insider trading case, Michael Marray reports from Hong Kong. Standard Chartered had

abided by a court order won by the US Securities and Exchange Commission in one of its higgest ever insider trading investigations, handing the money over to the court in mid-Angust. This followed charges being laid against Mr Lee alleging that he had ille-gally earned \$19m using inside information.

Taiwan expulsion Taiwan's ruling Nationalist Party has expelled Mr Hn Chi-yuan, a member of parliament who recently visited Peking and held talks with ranking cadres there on the reunifica-tion of Taiwan and China, Bob

S African fugitive South Africa vesterday withdrew a warrant for the arrest

King writes from Taipei.

of a black fugitive holed up in the US Consulate in Johannesburg, Reuter reports. Prince's duties

The Japanese Cabinet yester day formally transferred the official duties of the ailing Emperor Hirohito to his son, Crown Prince Akihito, u gov ernment spokesman said, agencies report from Tokyo.
Meanwhile, Tokyo protested to
the British ambassador about
the strongly negative coverage
of the emperor in two British
tabloid newspapers, the Sun
and the Daily Ster and the Daily Star.

COMMONWEALTH FINANCE MINISTERS' ANNUAL MEETING

Rich and poor gap growing

THE ANNUAL meeting of sharp decline in private sector Commonwealth Finance Ministers drew to a close yesterday with a communique which contrasted the satisfactory economic growth in industrial countries with falling incomes and increasing poverty in many developing lands.

Nevertheless, after a largely uncontroversial meeting, Mr Shridath Ramphal, the Commonwealth Secretary-General, said he detected a new phase in relations between developed and developing nations. While he did not believe the world was on the verge of a new North-Sonth dialogue, there appeared to be emerging "a consensus hetween rich and poor countries that has not been there for many years."

There was greater agree-ment, he said, about what economic problems there were, how they were analysed and how they should be solved. The communique expressed concern over the continued drop in flows of resources to developing countries. It paid particular attention to the

A REPORT compiled by Commonwealth experts shows that nine countries which bave

imposed sanctions on Sonth

Africa recently have reduced imports from that country by

\$1.2bn. Stephen Fidler writes. Imports by the US from South Africa dropped the most

significantly over the period

since each of the countries has

imposed sanctions, by \$860m, while imports into Denmark

France cut Sonth African imports by \$63m, Canada by

\$49m and Sweden, Norway, France and New Zealand by

smaller margins.

dropped to \$6m from \$160m.

On the issue of Third World debt, the meeting called on the World Bank and the International Monetary Fund to assist more actively in "the clabora-

greater use of guarantees. A speedy implementation was urged on the expected

flows of funds to the Third It welcomed in principle, as

expected, a proposal to estab-lish a Commonwealth equity fund and advised the Commonwealth Secretariat to start a detailed study of the plan. Such a fund should be "based on sound market principles without government guarantees, managed independently and complemented by appro-priate policies in both host and capital exporting countries."

tion of a menn of options including debt reduction." The Bank should be encouraged to take on a larger role in credit enhancement, including

accord among the Paris Club or industrialised creditor nations to provide debt relief to the poorest countries.

surpassed the US in 1987 as the largest importers from South Africa.

Imports to Japan totalled

\$2,46bn, to Italy \$1.79bn, to the US \$1,32bn and to West Ger-

many \$1.25bn.
UK imports were \$1.09bn.
The import reductions by coun-

tries imposing sanctions in cer-

tain product areas were partly offset by increased purchases in others, particularly of South African coal and fruit.

Spain, Hong Kong, Sontb Korea, Belgium, Taiwan, the Netherlands, Portugal, Greece

and Switzerland all signifi-

cantly increased the volumes

of coal bought from South

Ministers expressed concern at the growing arrears to the IMF, which affect Common-wealth members such as Zam-bia and Guyana but which also affected the fund's ability to assist member governments.

in sensitive areas like comput-

Last year President Suharto bauned a harmless Chinese aerobic exercise called Tal Chi.

popular even with some cabi-

net ministers. In recent months Jakarta authorities

have been hounding nightchubs

with names like Kiss Me,

They urged further study of Mr Nigel Lawson, the UK Chancellor, for "shadow" IMF programmes to allow backdated access to funding for countries in arrears. At present countries more than six months behind in their payments are ineligible for new IMF loans. The ministers called for con-

eistent approaches by the World Bank and IMF in their operating procedures and in their approaches to economic adjustment and growth. Many Commonwealth members are worried by cross-conditionality, where World Bank loans are effectively tied to the approval by the IMF of an economic programme. These issues are being studied by offi-cials from the Group of Ten Study pinpoints fall in S African sales

The report, being circulated

here as Finance Ministers

meet, shows that comparing

the 1983-85 average to 1987, the

largest increases in percentage

terms in South African imports

were to Switzerland, Argentina, Taiwan, Turkey and Bra-

imports increased the most fol-lowed by Taiwan,

West German exports to South Africa increased hy \$552m over the period, making the country the largest exporter to South Africa with 1967 exports totalling \$2.55bn. It was followed by Japan (\$1.89bn), the UK (\$1.56bn), and the UK (\$1.14bn)

In value terms, Japan'e

West German exports to

economy and on foreign links most likely to be valuable in the event of further sanctions, says the report, compiled by an intergovernmental Common-

exchange rate.

wealth group.
While South African residents bold R17bn (\$6.9bn) abroad, only a small proportion of that could be mobilised in a crisis, the report says.

It concludes that the South African economy is in a trap: the economy cannot grow fast enough to prevent unemploy-ment from rising further without strong import growth and a collapse of the current account surpluses necessary to repay its foreign debt.

The report adds that despite a recent increase in trade credits allowed to South African importers, the country's lack of ability to borrow abroad will constrain economic growth this year for the first time since the 1985 financial crisis.

The drop in US imports of coameant both Japan and Italy Africa. Korean fanaticism bubbles over the boxing ring

AFTER five days of harmony and international brotherhood, the Seoul Olympic Games yeson the streets but in the boxing ring, where a young Korean bantamweight took violent exception to losing his match.

Chairs flew, angry Korean coaches and supporters brawled and the New Zealand referee was assaulted, after which the boxer himself staged a ons-bour sit down in the ring. By nightfall, peace had been restored in the Olympic camp, though the atmosphere still quivered with accusations and distrust.

Riots at boxing matches are admittedly two a penny. But part of the explanation for yes-terday's brawl must be attributed to the extraordinary



MICHAEL THOMPSON-NOEL IN SEOUL

fanaticism with which the Korean sports authorities have psyched up their warriors. l do not know what they are being fed on, or what they

have been told or promised, but to watch wave after wave of Korean boxers, wrestlers and judo fighters burl themselves at their opponents is a frightening experience.

In utter contrast, the atmosphere at the Seoul Equestrian Park yesterday was exclusive and refined as the toffs of world equestrianism produced a rousing climax in the 3-day event - an examination of all-round skill that comprises two days of dressage, a cross-country stage, and a final

jumping test. In brilliant sunshine Britain won the team silver msdal while Britain's Ian Stark, riding Sir Wattie, and Virginia Leng, riding Master Craftsman, won the individual silver and bronze medals respectively.

No one, however, could catch New Zealand's Mark Todd, the reigning Olympic three-day champion, whose superlative borsemanship on the 16-year old Charisma gave him the individual gold medal with only 42.60 penalty points.

West Germany won the team gold and New Zealand the team bronze. The other mem-bers of Britain's silver medal team were Karen Straker, who scored a vital clear round in the jumping, as did Stark, and Captain Mark Phillips, who was 40 yesterday.

Those who would like to cut

the Olympics down to size often call for the expulsion from the Games of the horses - along with all team sports as well. But such a move would cause furious wrangling, par-

ticularly from Britain.
As the British Olympic Association team handbook says: The equestrian events - which appeared in the mod-ern Games briefly in 1900 before reappearing permanently in 1912 - are one of the most colourful and exciting spectacles of the fortnight's specta. They also provide one of Britain's most fertile medal furrows." And so they do – a total of 21, including yesterday's three, with the possibil-ity of more to follow in the

Seoul showjumping.
Yet the toffs had better watch out. Their gentle sport may be in for an upheaval, because the seventh-placed team in the Seoul three-day event - ahead of Italy, Japan and the US - was. . Korea.

Israel's 55 parties line up By Eric Silver in Jerusalem

FIFTY-FIVE parties yesterday registered their intention to contest the Israeli general elec-tion on November I. In the last poll four years ago 16 parties cleared the 20,000-vote hurdle to win representation in the 120-seat Knesset, though four of them have since gone into voluntary liquidation.

Not all of the 55 are expected to come under starter's orders. They bave till midnight next Tuesday to put up their 12,000 shekel (£4,360) deposit and the signatures of 2,500 supporters.

Aspiring parties include an Income Tax Abolition Party, a Politeness Party, the Heads or Tails Party, the Quiet Force, Pensioners and Invalids.



Slation

nnesty

nvestmen

imed at

anctions

What our competitors hope to do tomorrow, Apple did yesterday.

Apple Computer actually set the ball rolling in 1977 when we created the very first personal computer.

1984

In 1984 we created another first with our launch of the Macintosh personal computer. Our competitors then, and now, could only greet it with a blank stare. Macintosh, rather than using computer jargon, used easily understood words and symbols such as files, folders and menus which, with the help of a mouse, speeded and simplified operating.

The mouse, which we introduced in 1983, freed your mind from the drudgery of learning complex keyboard commands. You concentrated on what you were doing, rather than how you were going to do it.

Another innovation in '84 was our pocket-sized 3½" disk.

We're flattered to note the number of other manufacturers who

have recently adopted the same size. DeskTop Publishing was created by us in the following year to help businessmen produce

professionally printed documents in-house. Low-cost networking also saw the first light of day in 1985 when we introduced AppleTalk. This gave Macintosh computers the ability to talk to each other as well as with peripherals. Nothing could be simpler, you just plugged one cable into another to open the dialogue.

In 1987 we launched HyperCard, a revolutionary way of storing and accessing information. One that is creating an entire industry in multi-media information management.

As a result of the keenness consumers have shown for our innovations they have now become industry standards.

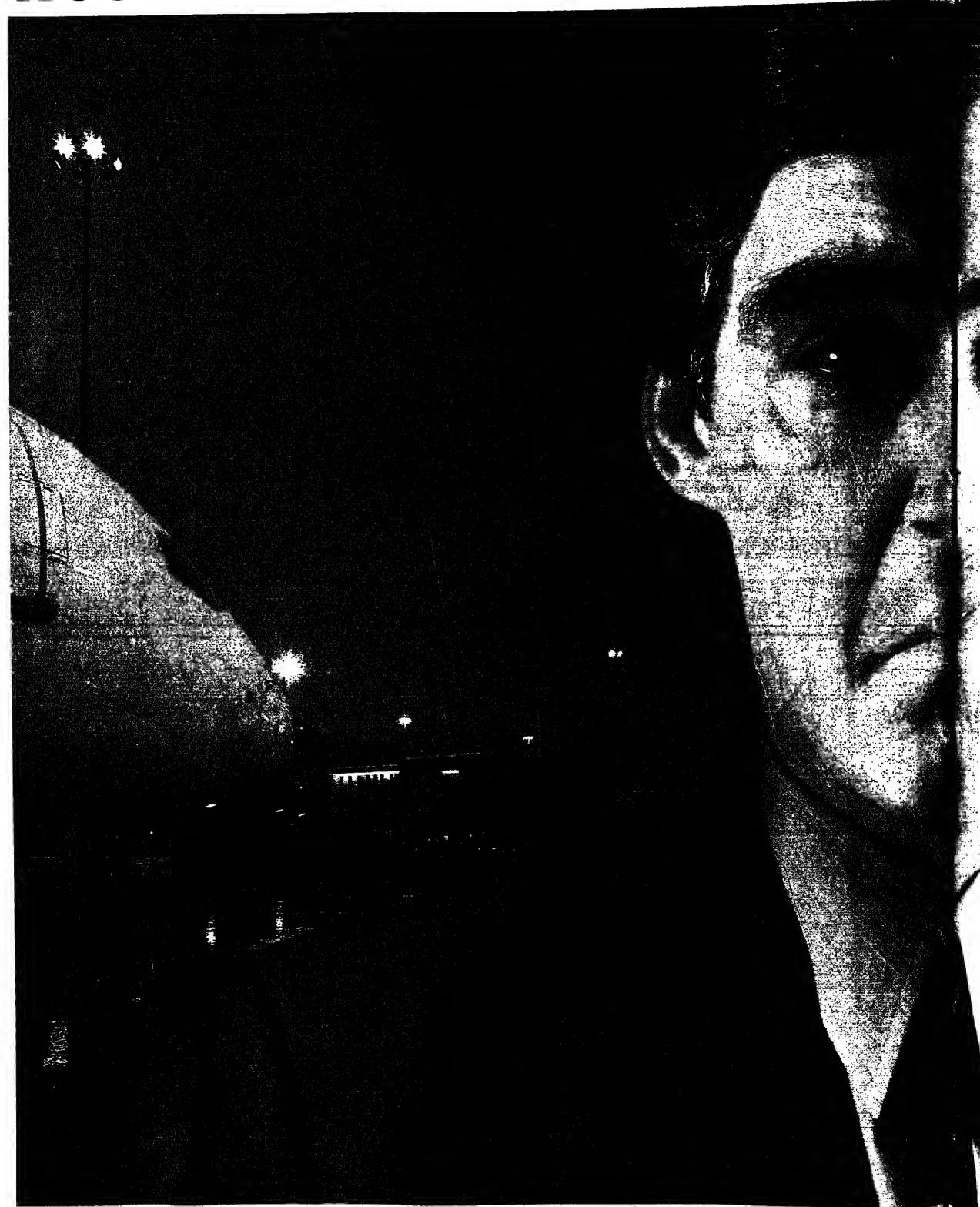
Consequently, we've grown to become the largest dedicated manufacturer of personal computers in the world. To discover more about Apple Computer dial 100 and ask for Freefone Apple.

Next year our competitors hope to catch up with our performance in 1984.

What will we be doing? Suffice to say old habits die hard.

\$. Apple. The power to succeed.

WOULDN'T YOU PREFER AN UNINTE



Flying London to Singapore there are two ways of being woken up. All but one airling the use the 'landing for more fuel, halfway there in the middle of the night' technique. Only the technique of the night' technique of the night' technique of the night' technique.

WORLD TRADE NEWS

US and EC face crisis over meat hormones

By David Buchan and Peter Montagnon in Brussels

NEW ADMINISTRATIONS in Washington and Brussels next January are likely to have to cope with an immediate crisis in trans-Atlantic trade relations over the likely ending of US hormone-produced meat imports into the European

Community, a senior US official forecast yesterday.

Mr. Alfred Kingon, the US ambassador to the EC, predicted it was unlikely that the Community would extend become Descended. beyond December 31 the one-year exemption from the EC's general han on hormone-produced meat. So far US-EC talks on this issue have produced

Mr Willy De Clercq, the EC external affairs commissioner, responded that he shared the US envoy's pessimism on this score. The EC did not regard the issue as resolvable by a Cett panel of medical scient. Gatt panel of medical scientists, as the US has requested.

Trade in hormone-injected meat and Airbus subsidies were, apart from the general US-EC disagreement over agri-culture in the Gatt trade talks, the only "outstanding" prob-lems in trans-Atlantic trade which otherwise, Mr Kingon said, was proceeding smoothly. Total two-way trade was likely to rise this year to \$160hn, from \$145bn last year and \$131bn in 1986.

Though less important than Airbus in economic terms, the hormone issue has a fixed deadline, four months away.

By contrast, EC and US officials do not expect any real progress on Airbus, given that decisions on the German component of Airbus — MBB is: the target of a Daimier-Beaz takeover — are likely to come too near to the US elections in November for the US to make a substantive response until a new administration takes power in Washington.

Mr Kingon acknowledged the EC has "real political problems" in going further in reducing agricultural subsi-dies than it did at last February's Brussels summit, and meeting the US demand in the Gatt talks for a commitment to long-term phasing out of subsidies in world farm trade.

Gatt postpones decision on US import curbs

By William Dullforce in Geneva

erday lost a skirmish in its trade battle with the US when the council of the General Agreement on Tariffs and Trade postponed a decision on its complaint against some of the long-standing US import

US restrictions on imports of sugar, dairy products, peanuts and cotton contravened the terms of the waiver from Gatt rules for agricultural products, which the US obtained in 1965, the EC claimed.
The US successfully argued

that the EC had not made clear the basis of its complaint and the Gatt council put off until its next meeting the EC Com-mission's request for investiga-

tion by a disputes panel.

Brussels' charge is a tit-fortat riposte to the US complaint, now under Gatt examination, that EC subsidies are seriously damaging US soybean exports. This US attack on a similarly long-established Community regime helped to heighten the tension surrounding the talks on the reform of world farm

Several countries, including Australia, Brazil and Argentina, backed the EC contention that the US import controls were a "cymical" exploitation of the 1955 waiver, which had been intended as a purely temporary measure.

trade in Gatt'a Uruguay

However, the EC hlended into its attack on the waiver a complaint against a "headnote" written into the US tariff schedule, which Washington

THE EUROPEAN Community cites as the basis for its import

controls on sugar. Australia won council backing for its request for an inves-tigation into the increasingly restrictive US sugar import quotas, which, it claimed, had cut annual imports from 6m (short) tons to 1.3m tons over

the 10 years to 1987.

The EC suffered a forther disappointment in yesterday's Gatt council over its request for clearance to take retaliatory action against the US for the US Congress's failure to amend its Superfund Act.

A Gatt disputes panel has condemned the two-tier levy on petroleum imposed under the Act, to help finance a \$9bn hazardons-waste clean-up programme, for discriminating against imported oil.

Brussels estimates that the Community has suffered damage of \$7.5m and wants to withdraw trade concessions equiva-lent to that value from the US. The Gatt secretariat advised the council that the damage estimates were correct on the basis applied by the Commu-nity but that other bases were

This advice met the interests of other countries, such as Kuwait and Nigeria, which have been hurt by Washington's levy but do not have the EC's ability to take retaliatory trade action trade action.

When the US offered to negotiate with the countries harmed a compensatory package for submission to Cons, the council postponed a gress, the council postponed decision on the EC request.

Australia wins Intelsat management contract

By Chris Sherwell in Sydney

AUSTRALIA'S Overaceae Telecommunications Commis-sion, the country's international telecommunications car-rier, has successfully bid for a major space communications management contract awarded by the International Telecommunications Satellite Organisation (Intelsat). The A\$40.5m (£18.8m) con-

tract is for the management of Intelsat's satellites over the Indian and Pacific Oceans for five years from 1991, with an option available to Intelsat of extending it another five years. The northern hemisphere part of the contract was won sepa-rately by China's Beijing Tele-communications Administra-

Clues to what the Trade Bill really means

Nancy Dunne reports on the guide produced by the US Chamber of Commerce

the misunderstandings and apprehensions surrounding the 1988 Trade Bill, the US Chamber of Commerce has printed the first compre-bensive guide through its mul-titude of provisions.

Mr William Archey, a chamber vice president and the for-mer boss of the US export control regime, presided over the team of trade specialists which produced the guide in order to produces the game in order to counter what he sees as the "rampant xenophobia" of the legislation's media coverage. The straight-forward, easily understood guide book, com-

plete with comic illustrations, describes the changes from previous law and the likely impact of the new legislation.

Never, in the view of Mr Archey, has a plece of legislation been so misunderstood. He says that US trading partners have wrongly seen the debate over the bill as one between protectionists and free traders when, in fact, both extremes when, in fact, both extremes have long heen widely denounced in Washington. According to Mr Archey, the

plete with comic illustrations.

new law sends two overriding messages. The first is that US

O CORRECT many of trading partners can no longer operate on "a husiness as usual" basis in matters of trade policy "as the US intends to more aggressively assert its legitimate trade rights in the international arena." Second, it asserts that the US executive branch must in future give higher priority to trade policy in defining its foreign and

security interests One of the law's most controversial provisiona is "Super 301," which establishes "a systematic approach to national patterns of foreign unfair trade practices." It is felt that "Super 301" has been wildly denounced around Europe. Under Super 301, the Trade

Representative must identify and investigate "priority" for-eign trade practices in "prior-ity" countries. He must then negotiate for at least three years to get the offensive practices eliminated. He is required to show progress, but he is not required to retaliate or launch a trade war. The Act mounts a concerted

drive for US access to foreign telecommunications markets. Negotiations are once again



established and retaliatory options are specified. But in the end, the guide explains, the President is not forced to act. He is only asked "to take wbatever actions he deems appropriate and most likely to

try."
Not all the misapprehensions about the legislation are unfa-vourable. It does, for example, grant the US President longawaited authority to partici-pate in multilateral trade negotiations with a minimum of Congressional meddling. Under the "fast-track" approval proce-dure contained in the legisla-tion, Congress may only vote to approve or disapprove

What is not understood is that the President could lose that fast-track authority at any time, according to the chamber analysis. The US Trade Representative must deem the con-sultations unsatisfactory and the House and Senate each pass disapproval resolutions

within 60 days. The guide follows a previous success by the chamber which produced the first and most widely sought "side-by-side" comparison of the House and Senate versions of the trade hills. It was favoured by journalists, lobbyists and even Congressional staffers in the months of the hill's negotia-

tion.
The Omnibus Trade and Competitiveness Act of 1988: A Stroightforword Guide to its Impact on US and Foreign Business. Order from International Division. US Chamber of Commerce, 1615 H St., N.W., Washington, D.C. 20062. Telephone: 202 463-5460, Cost: \$35 (members) \$40 (non-me:=bers).

Belgium seeks credit changes

Assurance du Credit da Namur, in the local market, but it expected to face addi-

tional foreign competition after

Under its proposed new structure OND would remain fully state-owned hnt it would

be able to conduct credit insur-

ance husinese on its own account instead of just as an

The changes would mean that "not only Belgian prod-

ucts and services hat also

European products can be cov-ered and supported by us even

when they are not related to Belgian exports," Mr Boes said. OND's move reflects a gen-

shifting responsibility for short term export credit insurance in

Europe away from schemes sponsored by governments.

d trend in Europe towards

agent for thestate.

By Peter Montagnon, World Trade Editor. in Brussels

OFFICE NATIONAL du Ducroire (OND), Belgium's official export credit agency, is negotiating a change in its statutes which will allow it to undertake pan-European busi-ness once the single European market comes into force in

1992. Until now OND, which is a state-owned but independently managed company, has been confined by its charter to sup-

porting Belgian exports.
However, in the light of 1992
it will have to change its statutes so that it can undertake a broader range of business in the single market, Mr Willy Boes, General Manager said yesterday. Mr Boes said OND would

present proposed new statutes to the Belgian Ministry of Finance by the end of the

It accepted that under the changes it would no longer be elgible to offer a state guarantee on commercial risk insurance on credits of up to five years maturity and, for the first time, would have to subject itself to taxation. ECGD, Britain'a state However the changes were agency, earlier this month unveiled plans for a study of needed if OND was to face theincreasing competition expected to hit the export its operations which could lead to a recommendation to hive credit market in 1992. OND off part of its operations to the already competes with a priprivate sector. vate sector Belgian company

Mr Boes, who declined to reveal specific expansion plans, said OND would face a "anhstantial handicap" after 1992 if its statutes were not changed.
"There will only be one mar-

ket. There will not be any dis-tinction betweeen the Belgian, the French and the German market," he said. OND therefore had to see itself as a general credit

surer, not an export credit insurer, he said There would be a premium war in the credit insurance market as private sector com-panies and hanks tried to

expand such services. Export credit agencies face "a very hard struggle". One response might be for institu-tions like OND to undertake more ventures with other

Toyota launches joint equity venture in Taiwan

By John Elliott in Taipei

motor company to launch an equity-hased joint venture in Taiwan, where the hooming economy has led to a rapid expansion of the eutomobile market in the past couple of

Nissan, Mitsuhishi and Hino and the opening up of the Tai-have already launched joint ventures, and Fuji is to start Taiwan's rules curbing new one sooo, bringing the total to

From Europe, Peugeot and Renault have also discussed turning existing technical collaborations into joint ventures, and General Motors is considering producing its Opel mod-

els.
The market for domestically produced vehicles is dominated by Ford, which has a 10-yearold joint venture, and Nissan. Together, Ford and Nissan produced 135,000 vehicles last

TOYOTA HAS this week from the US and Europe. So become the fourth Japanese some Japanese manufacturers. some Japanese manufacturers, including Honda, import indirectly, especially from the US.

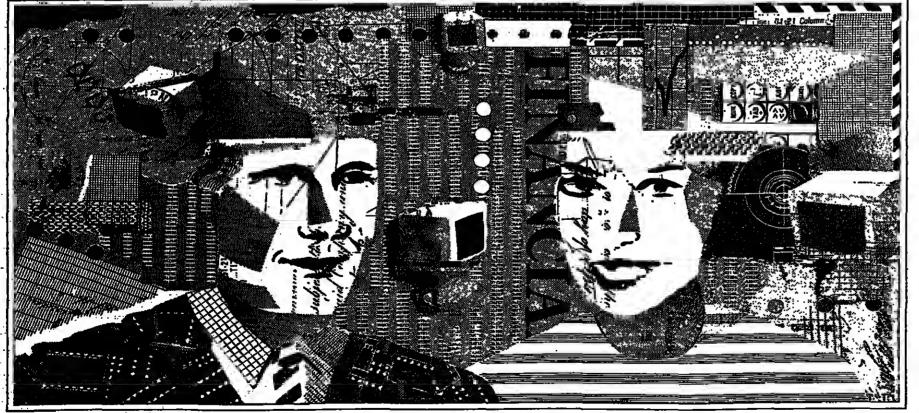
But the new interest among motor manufacturers in taking an equity stake follows Japan's reassessment of its global motor manufacturing strategy, Taiwan's rules curbing new foreign motor ventures were

relaxed in 1985, and requiremeots for foreign-owned ven-tures to meet tough export and local manufacturing criteria have also beeo relaxed. Nissan and Mitsublshi turned technical collaborations

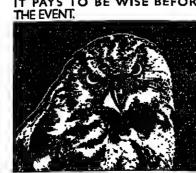
into car and commercial vehicle joint ventures in 1986, each with 25 per cent equity stakes. Nissan's local partner is Yue-Loong and Mitsubishi's is China Motor.

Fuji is taking a 45 per cent stake in a joint venture with Direct imports are banned Darchin and plans to start from Japan, but are permitted producing the Subaru car.

Norsk Data's total solutions: totally user-friendly.



IT PAYS TO BE WISE BEFORE



For a company that owes so much to innovation (from the world's first 32-bit supermini, back in '72, to current systems capable of tackling the 21st Century), we've kept our feet firmly on the ground. No other I.T company aligns itself so closely with the present

and future needs of its customers. Or so conscientiously integrates the related - and sometimes

conflicting - aspects of administration, design, manufacture, distribution and finance.

And no other European I.T company supplies and accepts total responsibility for every aspect of hardware, software and support.

In short, no other LT company can be such a cost-effective adjunct to your own organisation.

It's a philosophy that has made us Europe's No. 1 in mini-That, to quote Management Today, has helped us "trounce the

Americans on home ground". And that, since 1980, has provided total commitment to over 2000 UK users. With Fourth Generation Language Solutions for (amongst others) Local and Central Government, Manufacturing, Financial Services and Commerce.

Totally Integrated.

In an ideal world, all aspects of an organisation work in harmony; and this is what Norsk Data solutions can achieve.

For instance, we embrace the idea of the automated office. In which text, electronic mail, telex, accounts, business graphics, diaries, spreadsheets and so on are all generated from a single source allowing people to get on with the things that no computer will ever be able to handle.

And since our recent acquisition of Wordplex - the doyen of text processing - the possibilities have become even more exciting. But why stop there?

Our track record in CAD/CAM, 4GL manufacturing solutions, development tools and database management systems means that every aspect of your organisation can run as an integrated part of a well-oiled machine.

And that all your solutions can be obtained from a single, highly responsible, and totally committed source.

If that's not a good definition of 'user-friendly', we'd like to

If you'd like to know more, just clip the coupon - or ring Jane Padgett on 0635 35544.



To find out more about Norsk Data, return this coupon to Norsk Data, Benham Valence, Newbury, Berks RG16 8LU.

Telephone:

British Steel tax loss to be limited on privatisation

By Philip Coggan

BRITISH Steel will not retain all of its accumulated £1.87bn of tax losses when it is privatised, Lord Young, Trade and Industry Secretary, announced

The state-owned steel producer is expected to be the subject of a £2m stock market flotation in November. The company's years of accumulated losses meant that the balance sheet had to be restruc-

Had British Steel kept all its tax losses, it would not have needed to pay tax for several years. In the event only £171m of tax losses will be retained although the company will benefit from substantial capital allowances which should keep its tax charge well below the normal 35 per cent level for some time. However, a deficit of around £642m on the group's profit and loss account, result-

By Max Wilkinson, Resources Editor

BRITISH Petroleum yesterday

announced that it inteods to

sell about 20 per cent of its Magnus oilfield in the northern

At present prices the stake would realise about \$500m which the company will use to

continue its strategy of reduc-

The decision is in line with

BP's established policy of try-ing to dispose of assets which it believes will be of more

value to other parties than to

value to a poteotial purchaser would arise from the possibil-

ity of offsetting exploration

expeoditure elsewhere in the North Sea against the 70 per

In this case the additional

sector of the North Sea.

ing from past losses, will be written off so that the company will be able to pay dividends to sharebolders.

British Steel is not being

British Steel is less immediately attractive to the City

than some of the early privati-

sation issues, which had strong profits records and operated in

Although the company made profits of £410m last year - its

third successive year in the

black - investors will need lit-

tle reminding of the huge deficits incurred in the early 1980s. British Steel still merits a place in the Guinness Book of

Records for the largest corporate loss – £1.78bn in 1979/80.

Charles Hodgson adds: Mr
Bryan Gould, Trade and Indus-

try spokesman for the opposi-tion Labour Party, described the plans as "another instance

of a public enterprise's books

heing adjusted to make it

attractive to the market" in

which the taxpayer had drawn

Total production this year is

expected to average 139,000

barrels per day, plus 66m cubic feet of gas per day. Last year the total recoverable reserves

in the field were uprated by 14

The sale of the minority

interest is to be by competetive bidding. Some 40 companies have heen invited to tender. They will be able to hid for

variable amounts of the field, subject to a minimum stake of

BP said yesterday that the

number of new partners will be

not less than two and not more

than six. The deadline for sub-

mission of tenders is November

per cent to 665m barrels.

2.5 per cent.

the short straw".

stable markets.

required to carry additional debt, as British Gas was when it was privatised in 1986. The decision not to load British Steel with deht but to leave it with its existing £303m of bor-rowings was widely expected in the City. The more robust the group's balance sheet, the more attractive it will appear to investors.

No new capital will be raised for the company in the flotation. The Government considers that British Steel is generating sufficient funds to finance its investment programme.

The revised capital structure is understood to have the approval of the European Com-

BP sells stake in Magnus field

cent Petroleum Revenne Tax

payable on production from

day's proposal is similar to the

recent sale of a minority interest in BP's Forties field.

At the current North Sea oil

price, a 20 per cent stake in Magnus would produce gross revenues of more than \$130m

The field, which is 100 per

cent owned by BP, is situated

125 miles north-east of the Sbetland Islands, off the Scot-

tish coast. It cost £1.3bn to

develop and came on stream in

annually

BP is unable to take full tax advantage of the field because it has already used up its potential tax offsets. Yester-

Three Czech envoys given 14 days to leave Britain

By Robert Mauthner, Diplomatic Correspondent

diplomats were yesterday expelled from Britain for "engaging in activities incompatible with their status," bringing to seven the number of foreign envoys ordered to leave the country within the

last month.
The action by the Foreign Office marks a tonghening of the British government's atti-tude towards foreign diplomats who have shown an increasing tendency lately to ignore both the law of the land and the rules governing their diplomatic immunity.

The expulsion of Captain Bedrich Kramar, Assistant Military and Air Attache, and embassy clerks Vlastimil Netolicky and Payel Mondry comes

licky and Pavel Moudry, comes on the eve of a sharp warning due to be delivered today by Mr Tim Eggar, Foreign Office Minister, to foreign diplomats in Britain about the need to respect the rules of diplomatic behaviour.

"Engaging in activities incompatible with their status" is the customary diplomatic euphemism for spying. The three envoys have been given 14 days to leave the country, which is considerably more generous than the 24 hours given to the Cuban and Viet-

namese diplomats who suffered a similar fate two weeks ago.
Ten days ago, the Foreign Office expelled the Cuban Ambassador, Dr Oscar Fernandez-Mell, and a junior Cuban and a junior envoy and suspected intelli-gence agent, Mr Carlos Medina Perez, after the latter had fired a pistol outside his London flatat a group of people who had been following him. On the admission of the police, these included British security agents, while the Cuhans

THREE Czechoslovak claimed that a former Cuban diplomat who had defected to the US, was also one of the party and was injured by the shot fired by Mr Perez.

shot fired by Mr Ferez.

The Cuban incident followed hard on the heels of the expulsion of Mr Tran Van Hung, a Third Secretary at the Vietnamese Embassy, who had pointed a loaded revolver at a group of demonstrative criticals. group of demonstrators outside the embassy hullding. A Tuni-

the emhassy hullding. A Tunisian diplomat was also ordered to leave Britain last week for falling to pay parking fines.

The Czech Ambassador, Mr Jan Fidler, who was summoned to the Foreign Office yesterday to be told of the expulsion of three of his diplomats, was informed that mats. was informed that Britain continued to attach importance to the future expansion of contacts with Czechoslovakia. But Sir Geoffrey Howe, the Foreign Secre-tary, said the Government was not prepared to tolerate the sort of activities in which the three diplomats were engaged.

A Foreign Office spokesman denied that these activities had anything to do with the supply of Semtex explosives hy Czechoslovakia to the Irish Republican Army. Only last month, the Czech authorities, in what was seen in London as a conciliatory gesture, agreed to do what they could to con-trol the supplies of these explosives and said that they had never knowingly provided them to anyone with terrorist

The spokesman also declined to comment on whether there was any connection between the expulsions and the arrest earlier this year of Erwin van Haarlem, an art dealer accused of spying and believed to be a Czechoslovak citizen.

Employers urged to act on inner city decline

AN ESTIMATED £50hm should be spent on Britain's decaying urban areas to prevent them being trapped in a spiral of further decline, according to a Confederation of British Industry report published yes-

terday.

The report, by a group of top businessmen chaired by Mr Tom Frost, group chief execu-tive of National Westminster Bank, is the first response from the private sector to the Government's challenge to business to play the major part in reviving the inner

part in reviving the inner cities.

The perils of business ignoring the ball put in its court by the Prime Minister are outlined in the report. It warms that many of the factors which created an underclass of people in some cities in the US are already present in inner London and other cities such as Newcastie, Glasgow and Liverpool.

It is implicit in the report is that companies have not yet responded on anything like

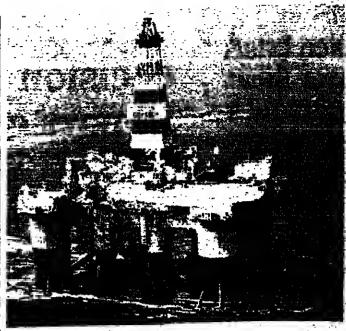
responded on anything like the scale which is needed.

The CBI arges businessmen to set up teams which will work with local government and other interested bodies in drawing up an "agreed vision" for their cities and towns, identifying "flagship projects which will break into the cycle of decline" and create a propof decline", and create a property market in the inner cities.

Advice on setting up teams

already working in Newcas-

tie, Birmingham and Sheffield - will be available from a forum to be chaired by Sir Hector Laing, chairman of Business in The Community, and include Mr Frost and Mr John Banham, CBI director general. ...



The Ocean Odessey operated by Arco

N Sea crew rescued from oil rig blaze

ONE MAN was missing last night after fire engulfed a North Sea drilling rig, appar-ently after a blow-out and an

explosion.
The crew of 67 abandoned the semi-submersible rig. Ocean Odessey, in the central part of the North Sea and all hnt one were rescued.

Atlantic Richfield, the Los Angeles-based oil company which had chartered the exploration rig from Odeco, said yes-terday that the cause of the accident was uncertain.

A spokesman for the com-pany said the drilling platform was carrying out oil explora-tion in the North Sea some 130 miles east of Aberdeen. It was not a production platform and was considerably smaller than the Piper Alpha platform, which exploded with a loss of 167 lives 10 weeks ago.

"We don't yet know what caused the explosion and fire." the Arco spokesman said. We know that there is a gas flow at the surface but we have not determined whether the gas caused the arribation or arribation. caused the explosion, or whether it occured as a result of the explosion.

Coastguards said that all the

men rescued were believed to be unburt. A search for the missing man is continuing. Evacuation of the rig was

Evacuation of the rig was, orderly, Arco said.

The rig was exploring 15 miles south east of the Montrose Field when the articent happened.

Usually mud, pumped into

exploratory drilling pipes, pre-vents any pocket of high pressure gas or oil from flowing Occasionally, however, a

blow-out can occur when the pressure of a gas find is too great to be held down by the weight of mud. Blow-out preventers are fitted to cope with such an emergency, but these may not have worked yester-

Arco says it reviewed its safety measures on North Sea platforms in the wake of the Piper Alpha disaster.

It could not however, be immediately determined whether any changes had been

Survivors taken from lifterafts by helicopters, were issued aboard two oil in the ply vessels the Notice Country and the British Fullmer.

and the British Fulmer:
Three helicopters from RAF
Pitreavie, RAF Kinious sing
RAF Bulmer were sent to the
rig with an RAF Nimrod and
civilian helicopters within minutes of the fire being reported.
Ships near by went to the
scane as non-as the simple of
ness of the scaldent heripus
clear. Constituting and the single of
least 10 weekle answered the
emergency tell.
Forty-site of the creamen

emergency call.

Forty-ene of the eremmen aboard the righter employed by Odece. The remeinder work for Arco and sub-denimiter work for Arco and sub-denimiters.

Mr. Peter: Morrison, the energy minister in charge of the North See has ordered an inquiry. A spokesman for his department, said a team of experts in controlling fires aboard North; See rigs had been assembled at Abordeen.

He added limit the rig had

He added that the rig had assed a safety inspection only set week

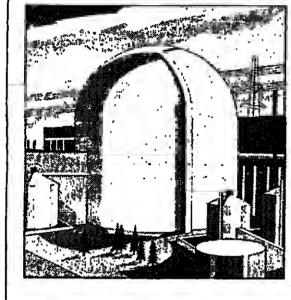
last week Mr John Prescott, Labour energy spokesman, said he was concerned: there had been mother North Sea incident so soon after the Piper Alpha

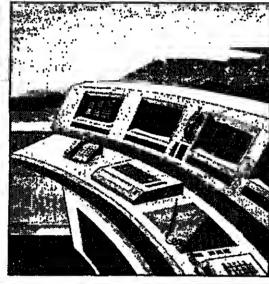
tragedy.

Mr Hoger Lyons, assistant general secretary of the Manufacturing, Science and Finance Union which represents some of the rig workers, said he was the rig workers, said he had concerned that nothing had been done to improve safety on North Sea rigs since the Piper Alpha tragedy.

"How many more lives must be lost or put at risk before we get an idependent safety inspectorate and proper trade nnion safety representation implemented in the North Sea oil and gas industry,"

"I can only hope the Govern ment will move after today's near-tragedy," he added.







A HIGH POWERED PERFORMANCE

HIGHLIGHTS OF 1988 HALF YEAR RESULTS

(UNAUDITED)

OPERATING PROFIT UP BY 17% £75m ATTRIBUTABLE PROFIT UP BY 32% £39m EARNINGS PER SHARE UP BY 21% 17p INTERIM DIVIDEND **UP BY 19%** 4.75p



ENGINEERING TOMORRO

For a copy of the 1988 half-year report contact: BICC plc, Devonshire House, Mayfair Place, London W1X 5FH, Tel: 01-629 6622

APOLOGY

BDO BINDER HAMLYN ADVERTISEMENT, FINANCIAL TIMES INTERNATIONAL **EDITION 21.9.88**

Due to an administrative error copiesof the International Edition of Wednesday's Financial Times carried an advertisement for BDO Binder Hamlyn which contained an inaccuracy.

BDO Binder has recently carried out an international corporate name change to reflect the fact that it is the world's ninth largest accounting firm with over 400 offices located in 58 different countries.

Part and parcel of the identity change, involving the addition of 'BDO' to all national member firms' names, has been the introduction of a new logostyle and it was this that was omitted from the advertisement on 21.9.88.

Further information about the firm can be obtained from BDO Binder International Secretariat, 2nd Floor, 60 Boulevard de la Woluwe, B-1200 Brussels.



Worldwide, we've now put BDO before our names.



still put (But our clients first.)

Until now it has been easy to overlook the fact that we are one of the world's largest accounting organisations, mainly because we used different names in different countries.

We are now putting BDO before our names to portray us as we are in reality - an integrated global network. BDO practices from 412 offices located in 58 different

countries, and we are able to provide all the services you would expect from the world's 9th largest accounting firm.

What sets us apart is our approach to accounting, and to our clients. Our top people will ensure that our services directly meet your needs, while common methods and procedures ensure the bighest technical standards throughout the world.

If you would like to find out more, please write to us at

one of the following addresses: BDO Binder, International Secretariat, 2nd Floor, 60, Boulevard de la Woluwe, B-1200

BDO Seidman, 15 Columbus INTERNATIONALLY Circle, New York, New York 10023. BDO Binder Hamlyn, 8 St. Bride Street, London EC4A 4DA.



21,0,88

UK NEWS

NEW ISSUE This announcement appears as a matter of record only.



HANKYU CORPORATION

U.S. \$200,000,000

4¾ per cent. Bonds 1992

Warrants

to subscribe for shares of common stock of Hankyu Corporation

ISSUE PRICE: 100 PER CENT.

Daiwa Europe Limited

Sanwa International Limited

Sumitomo Finance International

ANZ Merchant Bank Limited

Bankers Trust International Limited

Banque Indosuez

Baring Brothers & Co., Limited

James Capel & Co.

Merrill Lynch International & Co.

Morgan Stanley International

Salomon Brothers International Limited

SBCI Swiss Bank Corporation

J. Henry Schroder Wagg & Co. Limited

Shearson Lehman Hutton International

Universal (U.K.) Limited

Barclays de Zoete Wedd Limited LTCB International Limited

Cazenove & Co. New Japan Securities Europe Limited

Nippon Kangyo Kakumaru (Europe) Limited Taiyo Kohe International Limited

Toyo Trust International Limited

Nomura International Limited

Daiwa Bank (Capital Management) Ltd. The Nikko Securities Co., (Europe) Ltd. **Sumitomo Trust International Limited** Yamaichi International (Europe) Limited

Shearson staff vigilance thwarted fraud attempt

By Alan Cane

THE ATTEMPTED Eurobond fraud which would have cost the London branch of Mitsubishi Finance International £15m was prevented only throught the vigilance of operations staff at Shearson Lehman Hutton, the US financial services

company. Mr Andrew Corcoran and Mr Martin Izatt, members of Shearson's "back office" operations team, were puzzled when a package of Eurobonds was delivered electronically to the firm's London offices over the British August bank holiday without a corresponding order from Shearson or instructions for delivery.

They raised the alarm, and the City of London police com-pany fraud department was alerted. With Shearson's help, a trap was set which led to the arrest and detention of two men in Switzerland as they attempted to draw the proceeds

Public 'will

not pay' for

satellite TV

Seven out of 10 Britons say they would not be prepared to pay anything extra to receive new satellite television chan-

This apparently bad news for satellite television companies comes in a MORI poll for the Reader's Digest on attitudes to television in the UK.

The 21 per cent of people who were ready to pay extra talked of annual sums ranging

from £10 to £1,000. The mean

figure was £16.95 annually,

compared with British Satellite Broadcasting's plans to charge around £10 a month for its sub-

scription film service.

Around 45 per cent of the representative sample of 2,007

adults interviewed said they were very satisfied or fairly satisfied with the television

service they received.

Paul Lachausse, Senior Vice Presidents with Robert Schenker, Senior Vice President Lending Commercial Operations

By Raymond Snoddy

of the fraud. The attempted frand involved the culprits gaining access to a computer network. Euclid, operated by the Brus-sels-hased Eurobond clearing house, Euroclear. They were

It is understood that the fraudsters gained access to then able to initiate electronic procedures which resulted in the transfer of the securities fraudsters gained access to Euclid by way of the telephone network using a personal computer. Security in the Euclid network depends on passwords. Anybody knowing the correct sequence of passwords would be able to gain access to the network and initiate orders for the transmission of stock. over the network from Mitsubishi to Shearson. Euroclear and Cedel are the two Eurobond clearing houses, each operating an electronic clearing network. Police, the two firms involved and Euroclear are refusing to give any details of how the attempted fraud was

was set to catch the culprits while inquiries continue. There are also fears that others may be tempted to copy the methods used. Superintendent Donald Randall expects his investigations will take at least hands of our customers" he said. In the light of the Mitsu-bishi frand attempt security a further 10 days. Mitsubishi would be reviewed. -

London trains face

perpetrated or how the trap

don Underground, admitted.

yesterday.

Mr Ridley was launching a five-year "Plan for Action" designed to tackle congestion and raise service quality "to the standards which Londoners today quite rightly expect."

However, the plan contains few proposals which had not neviously been announced. In

previously been announced. In addition, London Underground has not yet sought approval for np to £750m of Government

funding which would be required.

increase capacity – measured in train miles – by 7 per cent over the next five years. But the Underground is forecasting

an increase in peak demand of 10 per cent over the same period. This means that con-

Mr Ridley said the plan was intended to make the best use

of the existing Underground system, until new capacity could be constructed in the next century. But he admitted:

simply to spirit away conges-

1982-83 and reflects a dramatic

gestion is bound to worsen.

The plan is designed to

egreed yesterday, however, that the breach in security had been its responsibility and that no member of Shearson's stall were implicated in the attempted fraud.

out the community.

All goods would be subject to VAT at either a lower rate

for the transmission of stock.

A spokesman for Euroclear said last night that it believed Encild was a secure network hut agreed that its integrity depended on the standard of security observed by its mem-ber banks: "We are in the

90 per cent of retailers in the UK, said that a number of

of Consumers in the European Community, a group which represents 28 consumer groups, described the ECs pro-possis as unjust and unneces-

The picture changed dramatically, and unexpectedly, in

As a result, the number of passengers has increased from 1963 to 1961 per cent over five years, which is thought to be the fastest rise in

"We will be running very hard, with difficulty, to keep up the rate at which we can squeeze additional capacity out of the system." It was not possible This bleak outlook for Underground passengers fol-lows the first full-scale review of the Underground since

LONDON'S underground trains are likely to more congested in five years' time than they are now, despite a £1.5bm investment programme, Mr Tony Ridley, chairman of London Underground admitted a continued first and the conti

As a result, there had been little investment in the infra-structure of the system during the 1970s and early 1980s, and

control, and service levels were declining — only 91 per cent of scheduled services ran in 1982.

1983, when the number of passengers began to rise. That trend gathered pace as economic recovery continued and the population of London began to rise again from 1985.

metro patronage anywhere in the world.

greater congestion By Kevin Brown, Transport Correspondent

was at the end of a 30-year period of declining demand, and most forecasters were pre-dicting a continued fall in Lon-don's population.

lax management as a result of political interference by the former Greater London Coun-

No plans were made for increasing capacity, but operat-ing costs were running out of

London Underground has reacted by increasing capital investment aignificently in real ferms over the last five years from £142.3m in 1982 to £171.2m in 1986-87. But the increased spending has had little effect spending has had little energy so far, because much of it is simply making up ground lost this could double or treble if the proposals were enforced.

Retailers to fight European VAT plans

By Maggle Umy

CAMPAIGN against the A CAMPAIGN against the European Commission's proposals for a minimum 4 per cent rate of valued added tax was launched yesterday by a group representing retailers, consumers and charities.

As part of the move to a single European market the EC is proposing an "approxi-mation" of VAT rates through-

for "social" items or a higher rate for non-essential items. Individual governments could choose to set the lower rate in a 4 to 9 per cent hand and the higher rate between 14 and 20

Mr John Irish, a deputy chairman of the Retail Consor-tium, a body which represents UK, said that a number of goods such as food, fuel, passisenger fares, drugs, childrens clothes and shoes, which are currenty zero-rated for VAT in the UK, should continue to attract no VAT since they are basic necessities. The increase in prices would cause sales to fall.

fall.

He proposed a lower rate band of zero to 6 per cent so that individual goevernments could choose a nil rate of VAT. He argued that the imposition of VAT on these goods was not a pre-requisite to a single mar-

Ms Janet Graham, chairman

She sald that in poorer families up to half their spending went on items which are zero-rated at present. The rise in prices caused by the imposition of VAT would cause hard-

She said that, according to Treasury figures, the average person would have to spend an extra £1 a week if the lower rate of VAT was imposed at 4 per cent, and £2.25p if it was set at 9 per cent. The EC argues that different

VAT rates would create a dis-tortion in trade. Ms Graham said that crossborder shopping was not causing distortions. She argued that differences in retail prices in different countries were mainly caused by other factors such as manufacturer's pricing

policles. and Tax Reform Group, slad tharities already paid more than £100m a year in VAT and

Swiss Bank Corporation and export financing.

If you're not interested in foreign markets, just turn the page.

And while you're turning, somebody out there is making plans to grab the customers your company needs. Maybe it's already happening. A lot of companies make the news by learning about the international marketplace the hard way. Are we trying to tell you there's an easy

way? Not really. Except that the easiest

way is probably to work the hardest. But if you are taking foreign sales seriously, the transaction skills we've developed over the years could make life easier for you.

Remember, these are the markets we grew up in. And our business keeps



The key Swiss bank

General Management in CH-4002 Basel, Aeschenplatz 6, and in CH-8022 Zurich, Paradeplatz 6. Over 200 offices throughout Switzerland. Worldwide network (branches, subsidiaries end representatives): Europe: Amsterdam, Dublin, Edinburgh, Frankfurt, London, Luxembourg, Madrid, Manchester, Monte Cerlo, Munich, Paris, North America: Atlanta, Calgary, Chicago, Dallas, Houston, Los Angales, Miami, Montreal, New York, San Francisco, Toronto, Vancouver. Letin America: Bogotá, Buenos Aires, Caracas, Lima, Mexico, Panama, Rio de Janeiro, São Paulo. Caribbean: Grand Cayman, Nassau. Middle East: Bahrain, Calro, Tehran. Africa: Johannesburg. Asia: Hong Kong, Osaka, Singapore, Tokyo. Australia: Melbourne, Sydney.

Dreams of cable-free phones near reality Terry Dodsworth examines the millimetre spectrum

NGINEERS have about a world where office telephones operate with-out cables, and where the man in the street can walk around with his own unobtrusive tele-phone handset in his pocket. These dreams are now mov-

ing close to reality. Indeed, some electronics specialists believe that by the end of the century it should be possible to achieve both of these visionary targets, along with a host of other communication and broadcasting innovations. The key, they say, is the development of new semiconductor technology that will make it practicable to use a group of radio waves known as the millimeter bands.

In a consultative document issued this week, the Depart-ment of Trade and Industry argued that technological advances by the chip manufac turers have now reached the point where they open up the prospect of creating new mass markets based on the millimetre spectrum. These markets should be large enough to yield significant economies of scale to the manufacturers.

Hence equipment prices, which would be prohibitively high at present, should be forced down in the classic manner of the electronics industry, generating increased demand in the process. The main problem in using

the millimetre wavebands is that that they can carry sig-nals only for a very limited distance. This feature, however, can also he an advantage, because it is possible to use the wavebands time and again in different locations without radio interference, hence increasing the capacity of the system. Indeed, capacity in the millimetre spectrum is much larger than in the current wavebands used for broadcasting. The trick in commercial exploitation is to work out how this

characteristic can be turned into effective services: The DTI believes that there may be many applications that it has not yet thought of, but it has already sketched out a number of uses, including:

The cable less office, where telephones are connected by a low-power radio network. Staff could carry their telephones around with them – and they would not have to be re-con-

nected when they moved office.

Cordless telephone systems for mobile use of the type that are already being developed for launch in the UK next year using current radio technology. The existing telephone ogy. The existing telephone network would have radio receivers built into the cabling at fixed intervals, so callers would be able to dial into the system when on the move.

Linking the telepehone systems in contiguous build-ings. Telecommunications reg-ulations allow companies to do

could relay a large quantity of messages.

Electronic funds transfer at point of sale (Eftpos). This system of transferring funds from a customer to a retailer via a relation at the plastic card transaction at the point of sale could be speeded np hy the use of millimetre radio links. Millimetre based services will be capable of extremely fast data transmis-

this over short distances of up to 200 metres already, but cabling can be expensive. A pair of millimetre transceivers

 New video distribution services. A millimetre-based system could be a contender for the distribution of microwave multichannel television sig-nals – a service which is cur-rently being considered by the

In the past few years, developments in the UK and elsewhere have shown the potential of several markets of the type now being outlined by the DTL To take just one example,

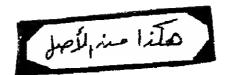
cellular mobile technology, which has transformed the car telephone industry, has been based on using a part of the limited-range radio spectrum in an innovative manner. The country is broken up into cells so that the same short-range radio frequency can be used over and over again to link the handset into the fixed tele-

phone network. The new generation of car telephones, however, only became possible because of developments in semiconduc-tor technology which made it possible to pack complex

systems into a small handset. Similarly, many of the uses of millimetre wavebands, particularly where they involve a marriage of radio and telecom-munications technology, will depend on progress in chip design and manufacturing. In particular this may hinge on advances in semiconductors made from gallium arsenide, a difficult material to work with, but one which promises exceptionally fast signals processing.

One of the question marks over Britain's shility to exploit millimetre technology lies in the country's investment in gallium arsenide chips, where a DTI effort to marshall the resources of Plessey and the General Electric Company under a country millimetre technology lies in under a common scheme col-lapsed earlier this year. The DTI nevertheless clearly

feels that an attempt to stimulate the market by publicing the possibilities of millimetre technology will encourage investment by industry. At the same time, the Government is moving at an early stage with the aim of having a stronger hand in European discussions on the use of the wavebands. The earlier the UK develops standards and principles for the use of different bits of the spectrum, it believes, the easier it will be to have an influence on developments in the rest of Europe.



FI SISUI MITHIWITH 23 24 25 26 27 28 29

THEATRE

South Pacific (Prince of Wales). e: traditional revival of he great Rodgers and Hammer stein musical, with Genuna Craven failing to wash Emile Rei-court out of her hair (889-5989). The Phantom of the Opera (Her ally nourishing new mosfcal by Andrew Lloyd Webber (839 2244, credit cards 878 6131/240 7200). Follies (Shaftesbury). Eartha Kitt and Millicent Martin now decorate Mike Ockrent's strong revival of Sondbeim's 1971 musilesque reunion in a doemed fises tre (379 5399). tre (379-5889).
Happood (Aldwych). New Tone.
Stoppard mirrer explorage,
romance and higher physics.
Felicity Kendal is the enoughnous
intelligence agent, Roger Ross.
and Nigel Hawthorns in elegant

support (836.6404, credit cards) 379 8233). Barnun (Circus Theatre), with . Mike Burstyn in the little role (Wed, Thur) (55 88 00).

New York Cats (Winter Gerdent Still a sell-out. Trevor Norm's produc-tion of T.S. Ellot's children's. poetry set to music is visually startling and chorsographically rus Line (Shaberf). The

A Chorus Line (Stabert). The longest-running musical in the US has not only supported Joseph Papp's Public Theater for eight years but also updated the musical gene with its backstage story in which the songs are used as anditions rather than conditions (200 2009). are used as administration conditions (239 6209).

Les Misérables (Broadway). The magnificent spectacle of Victor Hugo's majestic sweep of history and pathos brings to Broadway lessons in pageantry and drama.

(239 6200).

Startight Express (Gershwin). Those who saw the original at the Victoria in London will barely recognize its US incarna-tion: the skaters do not have to go round the whole theatre but do get good exercise on the spruced-up stage with new bridges and American scenery to distract from the hackneyed pop music and trumped-up, sally £ (586 6610);

le and My Giri (Marquis), Even if the plot turns on ironic min-icry of Pygmalion, this is no clas-sic, with forgettable songs and ess in a stage full of characters (947 0088). M. Buiterfly (Eugene O'Neill). The surprise Tony winner for 1968 is a somewhat pretentions and obvious meditation on the true story of the French diplom true story of the Franch diplomate whose leng-time mistress was a male Chinese spy (246 0220). Speed the Flow (Royale). Devid. Manet applies his biting saccasm and ear for the exaggerations of American language to Hollywood, in this screamingly funny and well-plotted expose of the film-industry (239 5209). Stranger Here Myself (Public). nim industry (CS 6309).
Stranger Here Myself (Public).
Asgelina Rour, performs two
decades of Kurt Weill's songs:
in a one-woman show covering
the composer's escent in Borili
Paris and New York (286-700).
Paris and New York (286-700). hamium of the Opera (Majestic). Infled with Muris Bjurnson's Eded sets, Phantom, recks with Sames with starts Figureson's glided sets, Phention, recks with Andrew Lloyd Walber's humb-ing melodies in this maga-trans-fer from Landon (238 (200)).

Les Misscables (Remedy Center Opera House). The touring com-pany of the indensitional hit of last season brings to Washington-the historical sweep of Victor. the historical sweep of Victor. Hugo, set to music and an hast tent contemporary best. Ends fent contemporary best. Ends Oct 15 (254 3770). Stenth (Eisenhower). Stacy Keach and Maxwell Caudield star in the mystery pitting a writer against a mild-manner travel against a mild-manner travel against who's stolen his wife's affections (254 3679).

Tokyo

Kabuki (Kabuki 2a). The moreing programme, at 11am, includes Kago Tsaraba, with Living National Treasure, Eta men, in one of his most famous roles as a sophisticated courter vieticated courteean who gulls a country buspkip. In the afternoon, at 4.80pm, the

programme includes II Tairo, a "new kabuki play" set in the 19th century at the time of Japan's opening to the West. as well as one of the most famous works in the kabuki repertoire, Kaniincho (The Subscription List), in which a wily servent outwits his master's

pursuers. Ends September 25 (541 3131): Nob (National Nob Theatre).

A double bill consisting of the secred ritual Okina (old man). on which all nob is said to be based, and a true nob play, Tenko, Japan's most esoteric art form is not to everyone's te, but should be experie at least once by everyone who wants to discover why Japan will never become a "Western" nation_(Most other Noh theatres are open only at weekends; check local press for details). (423 1331). Somewich (National Theatre) The bunraku puppet theatre is one of Japan's most refined art forms. Each doll has three opera tors who remain in sight of the andience throughout the performance, while a narrator at the side of the stage unfolds the story to musical accompanime This month's performance features Hiragana Seisuiki, a play written in the Jidaimono (classi written in the Amenium (crissi-cal) style in 1739. The two surviv-ing acts have no connection with each other and are performed at 12 noon and 5.30pm. Earphone commentary in English. Ends September 25 (265 7411). Taking Nob (Nob by torchlight). In the warmer months, Japan's most esoteric art form moves outdoors for performances by torchlight (usually augmented

grammes, consisting of one nob play and a kyogen (comic inter-hele) are performed on succes-sive nights among the high-rise buildings of Shinjuku. Sumitomo besteining (Wed, Thurs).
Gorky Thentine, Leningrad. The
Story of a Hurse (adapted from.
Tulstory s abort story and performed in Russian). The Bolshoi Drama Theatre, better known as the Gorky, was founded in 1919 and is now one of the Soviet Union's most popular and most innovative companies. Its repertofre is strong on both the classics and on now plays by Russian sics and on new plays by Russian writers. This, its most famous production, is about a sick gelding looking back on his life prior to being destroyed; a sad victim of Tolatoyan destiny. (We Globe Theatre (572 6331). tiny. (Wed).

by electricity). Two separate pro-

ARTS

EXHIBITIONS Paris Carte Musées et Mon sold in museums and Metro sta-tions, enables visitors to avoid

cocces at 60 museums and mon-Musée d'Orsay and Versailles Centre Georges Pompidou. The Fifties, taking over Beaubourg for three months from the ground floor upwards. The poswar creative dynamism of the Fiftles is represented by cars, comics, music, cinema, literature, industrial creation and — on the fifth floor — by visua arts. The great figures of Matisse and Picasso open the exhibition with works in black and white; monochromes by Yves Klein and Montana close it. (42.77.12.33). Closed Tue. Ends Oct 17. Musée d'Orsay. The speciacular museum of the 19th century is situated opposite the Tuileries Gardens within the metallic structure and the glass-roofed vault of the vast Belle Epoque railway station. It houses paintings, sculptures, objets d'art and photographs from the end of the romantic period to the begin-nings of modern art and the Impressionists and post-Impres-sionists collections formerly in the Jea de Paume. Here they are counterbalanced by academic peinters, their contemporaries, long derided for their pomposity.

long derited in their pointed in Rue Bellschasse (45.49.48.14). Closed Monday. Minsée d'Orsay. Cézanne, The Early Years (1858-1872). The 63 paintings and 20 drawings and watercolours, already seen in London and on their way to Merkinston, waters, a higherton. Washington, reveal a hitherto neglected period of the artist's life. The young Cazanne, fasci-nated by Courbet, influenced by Delacroix, Daumier and Manet, a friend of Zola and an admirant of Wayner coursesses. admirer of Wagner, expresses his gentus in compositions full of violence and eroticism — with the painter always the voyeur. The execution is daring, with sombre colours wrought into the canvas by a broad palette knife. There are portraits and self-portraits, still lives and land-Ends January 1.
Antennial Zao Woo-Ki's retrospective traces the development
of an artist formed both by the
ancient traditions of Chinese

art and by the works of the

Impressionists and of Cézanne,

Matisse and Picasso, From paintings inspired by landscapes, he moves on to poetical abstracts which, from 1969 onwards, do not have titles, only dates, 9 Ave Matignon (42.99.16.16). Ends Nov

Picasso Museum. The 17th cen-tury Hotel Sale, sumptiously restored, provides a fitting home for the world's largest collection of Picasso's work. It is completed by Picasso's own collection of paintings by his friends, such as Braque and Matisse, or by artists he admired, Renoir, Cézanne and Douanier Roussez 5 Rue Thorgny (42.71.24.21). Closed Tuesdays. Musée de Cluny. Medieval art in Paris. The abbots of Cluny built their magnificent late Gothic town house in the heart of the Latin Quarter on the blackened ruins of Roman baths. Now a museum, it houses medi-eval works of art, including a set of the Lady and the Unicorn mille fleurs tapestries - an al cory of the five senses, one of the masterpieces of medieval art. Place Paul-Painlève, Métro Odéon. Closed Tuesdays and lunchtimes (43.25.62.00).

Time Comparison 1988. Thirteen painters, spanning three genera-tions, present the East German art scene in the 1980's. This exhi-bition concentrates on figurative painting and portraits. Among the artists are Hampel, Heisig, Ebersbach, Tubke and Libuda. Neues Kunstquartier, Gustav-Meyer-Allee 25. Ends Nov 20.

Bremen

Georg Baselitz, The Motif. Forty pictures by the German expre sionist, born in 1939, from his most recent period. Kunsthalle Am Wall 207. Ends Oct 30.

Stuttgart

To celebrete the 85th anniversary of the German Art Association, around 950 works by 280 artists are being displayed in four differ-ent museums. The presentations are divided up into various subjects: informal constructions; places and sounds; old subjects new pictures; and landscapes.
 There are also works by German and French artists from 1903-1906. The Association is belping young artists by donat-ing DM40,000 (over \$20,000) in prize money. Wurttembergischer Kunsstverein; Kunstgebaude am Schlobplatz, Staatsgalerie,

Konrad-Adenauer-Str 30-32. Ends

Schleswig

Schleswig Holstein Landsmu-seum. 1,000 years of Russian Art. This exhibition celebrates the 1,000tb anniversary of the Russian Orthodox Church, taking as its theme the new alliance between church and state. The 453 selected pieces are on loan from 14 different Soviet muse ums, with the highlight provided by 130 icons from the 13th to the 20th century. Modern paint-ers include Kadinsky, Natalia Gontscharowa and Kasimir Malewitsch. Ends Oct 24.

Museum of Modern Art/Museum of the 20th century. Works by

Oswald Oberhuber, one of Austria's finest artists. Ends October The Austrian National Library. The Arab world in Europe. A marvellous collection of letters

and other literary items. Ends

October 16. Hermes Villa. Portraits by the fin-de-siècle artists, Gustav Khim and Emilie Floege. Ends Feb 19. Secession. Klimt's Beethoven Frieze is now back in its rightful and original place in the restored Secession. The Secession was founded by a group of artists, Klimt included, at the turn of the century. At the time, it provided a haven and experimental ground for artists who were tired of the old established and con-servanive Kunstlerhaus or arts

Venice

Palazzo Grassi. The Phoenicians. The fourth major exhibition at Fiat's imposing art centre on the Grand Canal attemps to give a complete picture of this extraordinary people, who domi-nated trade in the Mediterranean for over 1,000 years before their capital, Carthage, was finally destroyed by the Romans in 146 BC. The exhibition has been given a highly theatrical presentation by the architect Gae Aulenti. Many of the 1,200 objects displayed are extraordinarily beautiful and the 750 page cata-logue, published by Bompiani, is excellent. Until Nov 6.

Rome

Palazzo Venezia. Imago Mariae. Over 100 works, including mas-terpieces by Gentile da Fabriano,

Pinturicchio, Correccio, Giaquinto and Tiepolo, showing the progressive bumanisation of the Virgin Mary from the austere figure of the Middle Ages to the gentle and accessible charm of the Renaussance and Baroque

portrayals. Ends Oct 4.

Bologna

Pinacoteca Nazionale and Museo Archeologico. Guido Renl (1575-1642). A splendid collection of paintings by the Bolognese mannerist painter, the first to bring the concept of physical beauty into sacred art. His depic-tions of the Virgin Mary have looks and temperament which recall Thomas Hardy's tragic heroines. The paintings come from major Italian and foreign museums. Many have been restored for the occasion (such as the remarkable Massacre of the innocents), and some have not been on public display for many years. The Triumph of Job (also newly restored) had been hidden in the right-hand bell-tower of Notre-Dame in Paris since 1797. Until Dec 8.

Martigny

The Gianadda Foundation is showing the second part of trea-sures on loan from the Sao Paulo Museum, Entitled From Manet Museum. Entitled from Manet to Picasso, it is especially rich in Renoirs, from society portaits and little girls in frothy lace and pink and blue satin, to a fleshy nude. Van Gogh, too, is well represented with bis famous Arlesienne and landscapes with torscene by Gauguin, early Picassos and Manet's Maric Lefebvre, rid-ing side saddle all clad in black and looking as seductive as Bon-nard's appealing nude or Degas' ballet dancers. (33978). Ends Nov

New York

Metropolitan Museum of Art. An exhibition of architecture on paper covers four centuries of drawings including works by Frank Lloyd Wright, Louis Comfort Tiffany and Arata Isozaki. as well as the west facade of the as wen as the west ractate to the Alhambra that dates back to 1580. Ends Jan 8. Museum of Modern Art. Almost 100 black-and-white prints illus-trate Matisse's influence during

a 50-year printmaking career that included lithography, dry-point, etching and linoleum cut.

Chicago Art Institute. The first major retrospective in 30 years of Paul Gauguin Includes more than 230 objects and major paintings from the product of the product of the part of the product of the part of all the periods of his exotic and far-flung life. Ends Dec 11.

Tokyo

Tokyo National Museum. The Splendour of Turkisb Civilization: Ottoman Treasures from the Topkupi Palace. The former Seraglio of the Sultans in Islambul boasts a magnificent location, overlooking the Bosporus. and houses a superb collection of classical antiquities, manuscripts, armour, textiles and other artefacts. This selection of 150 items focuses on the hey-day of the Ottoman Empire, from the 16th to 19th centuries, Highlights include a steel helmet incrusted with priceless rubles, turquoises and amethysts, and wooden throne inlaid with ebony, mother of pearl and silver. Closed Mondays. Hara Museum of Contemporary Art. Shinagawa Oil paintings by Tomic Ohtake, who emigrated to Brazil in 1936 and is nuw regarded as one of Latin Amerca's liveliest abstract artists.

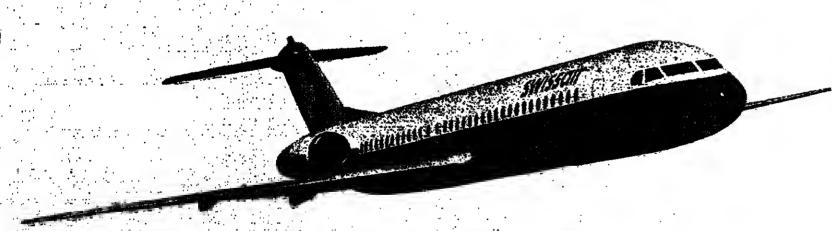
This is her first solo exhibition in her native country and has been organised to cucintemorate the 50th anniversary of the lmmigrants in Brazil, Closed Mondays. National Museum of Western

Art. Japonisme. A major exhibi-tion, seen earlier this year at the Grand Palais in Paris, which explores the influence of Japan on the art of the West in the Lite 19th century. The exhibits range from the straightfurward repre-sentation of Japanese objects. or an added exutic touch in a conventional portrait - such as Monet's depiction of his wife in a red kimono - to coples of Japanese pictures and scenes from Japanese life. Closed Mon-

Ueda Gallery, Ginza. New works hy Shoichi lda, lda is regarded as one of Japan's leading cuntemporary artists and has exhibited widely at home and abroad. He is best known for his work in paper. This exhibition gathers recent works, many from a series entitled the Garden Project and Lotus Sutra, where stones, twigs and other natural materials evoke images of Japanese gar-dens. Closed Sundays, Ends Octo-



Old love never dies.



Swissair's love affair with Fokker has been going on for quite a while. Away back in 1931, our founding year, the good old Fokker F-VII-a was part of our fleet, even then known as highly modern. And, today, it's the quiet, fuel-saving Fokker 100 which renders such excellent service on our European routes. To the delight of our passengers, because the Fokker 100's cabin affords top-flight comfort in all three classes. There are galleys both fore and aft, permitting swift service.

The engine's perfect soundproofing sees to it that the flight is quiet for people on board and on the ground. See why it's true love indeed?

OPERA AND BALLET

London Royal Opera, Covent Garden. The long-awaited new staging The long-awaited new staging of Wagner's Ring by Yury Lyubimov, conducted by Bernard Haitink, begins at the beginning, with Das Rheingold, James Morris (Wotan), Kenneth Rlegel (Loge), and Ekkehard Wlaschiha (Alberich) bead the cast, Also in repertory: Turandot, with Gowneth Jones in the title role. Gywneth Jones in the title role, and Die Entführung aus dem Serail, conducted by Jane Glover. Seral, Conducted by sales of the English National Opera, Coll-seum. First new production of the ENO season is David Pount-ney's radical staging of La Tra-viata. Mark Elder conducts, and Helen Field, Arthur Davies and Alan Opic are the principals. Pountney's ugly, coarse-grained modern dress Carmen sports at least a fine cast (including Jean Rigby, Jacque Trussel and Sergey Leiferkus) and conductor (Yan Pascal Tortelier). The limni's Italy Tosca production by Jonathan Miller has the vivid Janice Cairns in the title role, Edmund Barham, and Malcolm Donnelly (836 8161). Michael Clark and his troupe,

for those who like post-modern punk dance.

Opéra. Verdi's Rigoletto con-ducted by Alain Lombard/Alain Guingal returns to the Palais Garnier after 18 years' absence with Neil Shicoff/Taro Ichihara as the Duke of Mantua, Alain Fondary/Manuguerra as Rigo-letto and Alida Ferrarini/Chrisletto and Alida Ferrarin/Chris-tine Barbaux as Gilda (474 25750). Palais des Sports, Alvin Alley and the American Dance Theatre present the Suite Afro-Caralbes for bird, with love and revela-tions. (Bookings 48.28.40.90; infor-mation 48.28.40.48). Until Oct 16.

Danstheater. The Netherlands
Opera production of Bluebeard's
Castle by Bartok, with Henk
Smit as Bluebeard and Kathrine
Clesinski as Judith. Directed
by Herbert Wernicke, with the
Netherlands Philharmonic under Netherlands Philharmonic under Hartmut Haenchen (Tue). (60

Amsterdam Muziektheater, the Carolyn Carl-

son dance company with the première of Dark (Tue to Thur). (255 455).

The National Ballet and the Schonberg Ensemble under Reinbert de Leeuw on tour with a new ballet by Jan Linkens to music by Janzeek Glenn Telley's music by Janacek, Glenn Tetley's music by Janacek, Glenn Tetley's Piertrot Lunaire, and Hans van Manen's Five Tangos. Mon in Nijmegen, Schouwburg (22 11 00). Tue in Heerlen, Schouwburg (71 66 67), Wed in Arnbem, Schouwburg (422 741).

State Opera. In repertory: Pelleas

dio Abbado, with Frederica von Stade, Christa Ludwig, Malcolm Walker (Fri). La Fanciulla del West conducted by Anton Guadagno, with Waltraud Winsauer, Silvano Carolli (Sat), L'Italiana in Algeri conducted by Claudio Abbado, with Georg Tichy, Agnes Baltsa, Patrizia Pace (Sun, Wed), Le Nozze di Figaro, conducted by Franz Welser-Most, with Margaret Price, Sylvia McNair, Margareta Hintermeier (Mon). Tanz-Schule, ballet by Mauricio Kagel, conducted by Arturo Tamayo, with Ballet d'Ac-tion (Tue). Boris Godunow, conducted by Mark Ermler, with Paata Burdschuladse, Rohangiz Yachmi, Noriko Sasaki, Czesiawa

Yachmi, Noriko Sasaki, Czesiawa Slanta, Heinz Zednik (Thurs). (51444, ext 2660). Volksoper. Die Zirkusprinzeesin, conducted by Herbert Mogg (Fri). Die Fledermaus, conducted by Konrad Leitner (Sat). Tiefland by d'Albert conducted by Kon. by d'Albert, conducted by Kon-rad Leitner (Sun). Madame Pompadour, conducted by Rudolf Bibl (Mon). Gasparone by Carol Millocker, conducted by Rudolf Bibl (Tues). Ballet: Arthur Schnitzler und sein Reigen, conducted by Herbert Moor (Wed).

Cosi fan Tutte (Thur). (51444).

Deutsche Oper. Dietrich Fischer-Dieskau lieder recital, with pla-nist Hartmut Holl, all Schubert programme. Götz Friedrich's production of Falstaff has fine interpretations by Karan Arms-trong, Carol Malone, Ingvar Wix-ell and Wolfgang Brendel. Zar und Zimmermann is a well done repertoire performance.

Hamburg

Stantsoper. The revived production of Eugen Onegin, sung in Russian, is the highlight of the week. The cast stars Bernd Weikl in the title role, Karita Mattila (Tatjana), Daphne Evangelatos (Olga) and Kurt Moll (Furst Gremin). Die Zauberflöte has fine interpretations by Helben Kwon, Barbara Bonney, Harald Stamm and Kkurt Steit. Der Barbier von Sevilla brings together Ceilia Bartoli, Leo Nucci, Giorgio Tadeo and Jewgenif Nester-Centra Barron, Leo Nutch, Gior-gio Tadeo and Jewgenif Nester-enko. Also offered this week, Artus-Sage, choreographed by John Neumeier.

Cologne

Opera. A new production of Faust brings Ferrucio Furlameito back to Cologne opera in the title role; the cast also includes Ludwig Baumann and Ashley Putnam. Das Gauklermarchen, the first opera composition by Gerhard Konzelmann, received controversial reviews. Ein Somcontroversial reviews. Ein Sommernachtstraum is steered to triumph by Paul Esswood and Teresa Ringholz, brilliant as leads. Die Italiener in Algier rounds off the week.

Opera, Graham Vick's successful production of Don Pasquale is

et Melisande, conducted by Claurevived with Rolando Panerai, Angela Maria Blasi and Bruno Pratico, Semiramide, the first new production this season, produced by Pier Luigi Pizzi, has an interesting cast led by Cheryl Studer in the title role, Kathleen Frankfurt Opera. Il Barbiere d'Siviglia features Alice Baker and Alessandro Corbelli. Tosca has Galina Kalinina outstanding in the title role, Fidelio takes the leads Stephanie Sundine, William Cochran and

Wolfgang Probst.

Teatro Alla Scala, Homage to Strauss: the Municb Bayerische Staatsoper's production of Die Schweigsame Frau, conducted by Wolfgang Sawallisch and by Wongang Sawansta and directed by Gunther Rennert. The cast includes Birgit Calm, Julia Faulkner, Alfred Kuhn, Kurt Moll and Wolfgang Rauch (Sat and Tues). Also: Dapbne, directed by John Cox and designed by Michael Ichemany designed by Michael Ichernaev (Sun), with Kenneth Garrison, Kelko Kamegawa, Marjana Lipovsek, Alejandro Ramirez and Thomas Woodman; and (Mon) Die Liebe der Danae, directed by Gaincarlo del Monaco and designed by Monika von Sallinger, with Claes Ahnsjo, Sabine Hass, James King, Klaus Konig, Friedrich Lenz and Corne-

lia Wulkopf. (80.91.26). Florence

Teatro Comunale. The season begins with Verdi's Simon Bocca-negra, conducted by Myung-Whun Chung and directed by Virginio Puecher, with Giorgio Zancanaro in the title role and Maria Chiara as Amelia; the scenery and costumes are based on sketches from the Sc archives of those used for the second version of the opera per-

Chicago

Lyric Opera (Civic Opera House). Miriam Gauci as Lisa and Frank Lopardo as Elvino in Sandro Segui's production of La Sonnambula, conducted by Donato Renzetti (322 2244).

Teatro alla Scala, Milan. La Boheme, conducted by Carlos Klie-ber, directed by Franco Zeffirelli, with Mirella Freni, Peter Dvorsky, Barbara Daniels, Jonathan Summers. Tokyo Bunka Kaikan (Tues, Thurs). Turandol, con-ducted by Lorin Maazel, directed by Franco Zeffirelli, with Ghena Dimitrova/Galia Savova in the title role, Nicola Martinucci/Gior-gio Cassellato Lamberti as Calaf, and Daniela Dessl/Lucia Mazza-ria as Liu. NHK Hall (Wed) (725

888). Trisha Brown Company from the United States in Set and Reset. Quest Hall (359 9650) (Thurs). Continued on Page 12

By the time you read this, the first Cityclass flight to Paris will have landed.

It will have taken off on time too.

A Brymon

TO PARIS FROM THE LONDON CITY AIRPORT SEVEN TIMES A DAY, FIVE DAYS A WEEK. The secret's out.

Camden Contract Hire

NATIONAL INFORMATION CENTRE (0525) 851555





Svein Scharffenberg: leader of the Tchude warriors who terrorise the Lapp settlements in "Pathfinder"

Good and evil slug it out the American failure to read

years, banded down by word of mouth must be worth telling and it seems only fitting that the first ever film to be made by the Lapp community should be inspired by its own mythology. As in all the best traditional is an all the test traintolar stories good and evil are at war in Pathfinder, in a world of frozen wastes and impassable mountains where people scratch out a living that is hard enough before the arrival of the Tchudes, a gang of alien nomads who kill and steal to ensure their own survival.

Though the (sobtitled) dialogue is sparse, the film has a fluidity and eloquence created by writer/director Nils Gaup and photographer Erling Thur-mann-Andersen who capture with enormous power the sense of desolation, freezing cold, and flawless white beauty of mile upon mile of snow bounded by treacherous black mountains. The starkness and purity of the landscape underline the conflict of the film's young hero Aigin (an accomplished debut by Mikkel Gaup) who must run from the invaders who have murdered his family or compromise himself by matching their violence. His only reliable weapon is his superior knowledge of the ter-rain and, that is what he must use to destroy the Tchudes or, if be fails, expose his people to even more danger. Aigin could just as easily be

an American Indian or an aborigine threatened by settlers and in the timelessness and universality of *Pathfinder* lies much of its appeal. Hope for the oppressed is an encourting the path of the oppressed is an encourting the path of aging theme but it comes as no surprise to learn that cultural disenfranchisement is a reality for the Lapps who, absorbed into Scandinavia, have lost much of their separate identity. Though the stylistic benefits are obvious the decision to shoot the film in 70 mm was made largely to give it the status necessary to attract Norwegian and Swedish audiences wbo regard Lapps as second-class citizens. Apparently the film's success has done much for the self-esteem of the Lapps who find them-selves suddenly fashionable; it remains to be seen whether Pathfinder's simplicity and sin-cerity will have a lasting effect on buman nature.

Good and evil slug it out just as overtly but with less conviction in The Running Man where we are abruptly propelled into a near future in

PATHFINDER (15) Nils Gaup

THE RUNNING MAN

Paul Michael Glaser THE DECEIVERS (18)

Nicholas Meyer POLTERGEIST III (15) **Gary Sherman**

STARS AND BARS (15) Pat O'Connor

JIMMY REARDON (15) William Richert

which America has become a Nineteen Eighty Four-style totalitarian state. Arnold Schwarzenegger plays a police-man who is on the side of authority until he finds himself framed and imprisoned for a crime he had tried to prevent. In a world ruled by the brainwashing power of television he finds himself a victim of the ultimate game show, The Run-ning Man, in which, as a convicted criminal he is forced to undertake an overwhelming obstacle course of attack by chain saws, electric currents, razor blades and napalm, all wielded by giants even bigger and stronger than he, for the enjoyment of a huge TV audience. This a theme explored in a different way 20 years ago in Peter Watkins' excellent Punishment Park, but here the film's scenario is entirely designed to sustain the vio-

lence it perfunctorily deplores. A splinter group trying to alert the public to the way it is being manipulated manages to swing support from the game show baddies to the intrepid Schwarzenegger. Bnt though the audience's sympathy changes the cry is still the same: "Kill, kill, kill." Which neatly points out why films like this get made.

Life is cheap in the India of The Deceivers too - an India controlled by the East India Company without any special regard for the naeds of the natives. William Savage (Pierce Brosnan), the philanthropic bero, is unpopular enough already for his wild ideas about building schools and enconraging self-help when he stumbles upon the

followers were responsible for murdering and robbing bun-dreds of travellers - a discovery treated with incredulity by

his colleagues.
Though The Deceivers is a Merchant Ivory production and has many of the values associated with that team — a strong sense of period and location, beautiful costumes and photography, impeccable supporting case (Keith Michell, Saeed Jaffrey, Shashi Kapoor) - the film remains insubstantial. Forced by the disbellef of his compatriots to expose the Thu-gees single-banded, Savage infiltrates the sect disguised as an Indian constantly at risk of discovery and, inevitably, is forced to commit murder himself. But though director Nicholas Meyer makes the most of the film's many dramatic possibilities be never quite comes to grips with the ambiguity with which Savage begins to regard the cult of tunity to transform it from a mere adventure story into ething more significant.

"It is all done with mirrors" is a phrase that takes on a new aning in Poltergeist III in which tiny heroine Carol Anne (Heather O'Rourke) is dragged by ghostly hands, like some macabre present-day Alice, through the looking-glasses that decorate the hideous high-rise apartment where she is staying with her aunt and uncle (Nancy Allen and Tom Skerritt). Those poltergeists just will not leave ber alone and soon the whole family is being hurled back and forth spirits and exorcists fight it out like a Wimbledon final for control of her destiny.

A rather clumsy message about the power of love seems to have more impact on the family than it will on the audience - but at least it creates a climax that suggests the series is completed.

Shaw once summarised Britain and America as two nations divided by a common language, an observation brought to life in the film of William Boyd's novel Stars and Bars. His bero Henderson Dores is so crippled by his English upbringing that the fresh start he hoped to find in New York has immediately deteriorated into a mediocre job as an art dealer and an unwanted engagement to the boss's daughter, all wrought by his English reluctance to say what he means and compounded by

between the lines of his tact. When Henderson, accompan-ied by his fiancee's teenage daughter Bryant (Martba Plimpton), is sent to the Deep South to acquire a Renoir owned by the eccentric Loomis family the misunderstandings and his inability to deal with them degenerate into farce. Not only must he deal with a feud over the ownership of the picture but with the results of his own romantic bunglings which involve two assignations in the same hotel room. In spite of its promise the enjoyment to be had from

Stars and Bars depends far more on how much you appre-ciate slapstick and heroes who constantly lose their trousers but never get laid than in your finer feelings about Anglo-American cultural differences. Having raised a valid point Boyd wastes his fire on superficial aspects of American life – stereotyped characters, fringe philosophies, the food – and stesdfastly ignores the more interesting questions of their politics, insularity and relative lack of tradition. Written by an Englishman and directed by an Irishman, Pat O'Connor, the film has about as much insight into a foreign culture as might be acquired in

a three-day tour of the entire

The usually excellent Daniel Day Lewis as Henderson seems so determined to give an impersonation of Dudley Moore that one wonders why Moore was not cast in the first place. Possibly he seemed too predictable, or too expensive, but this piece seems ideally suited to Moore's talents and may have acquired a little warmth from his presence. It may also have allowed Boyd's screenplay to retain the only interesting undercurrent in the novel, the middle-aged Henderson's lust for 15-year-old Bryant, presumably written out because Dan-iel Day Lewis's own youth would have annihilated any illicit frissons.

There is no danger of unconsummated passion in Jimmy Reardon, the story of 38 hours in the life of a teenager (River Phoenix) who may or may not be going to college, but is definitely running away from the inevitability of growing to be like his safe, boring parents. His sexual adventures are so joyless that you wonder about his chances of finding a more fulfilling life; Henderson Dores's looks promising by

Ann Totterdell

The Midsummer Marriage

This Sesestris too is a won-

derful invention, a frumpy,

tona's Jack, easily, convinc

ingly sung and acted, weak without being spineless, and attractive at the same time.

KING'S THEATRE, GLASGOW

Tim Albery's staging of The seen at Opera North in 1985, to mark Michael Tippett's 80th birthday; Max Loppert much admired it on this page. It has now transferred to Scottish Opera, where Albery has redi-rected it, again with Tom Cairns and Antony McDonald's set and choreography by Ian Spink for the dance company Second Stride, but with a cast

that contains only two of the Opera North principals.

The Midsummer Marriage is an opera that baffles and enthrals in equal proportions, and repeated exposure to its mysteries does not diminish either effect. Albery never attempts to boil down the para-dozes or dilute the magic — on the contrary he enhances their potency by rooting them firmly in human experience. Instead of an opera in which unconvin-cing characters encounter inexplicable happenings, he provides a gallery of real, believable people by no means uniformly likeable – quite the opposite in most cases – and plunges them into a world in

which reality is out of joint.
The set too is a dislocated assemblage of asphalt road, manicured lawn and jutting balustrades planted, as the last moments of the opera reveal, in a thoroughly urban and industrial landscape. Its lack of coherent centre provides a visual metaphor to set along-side Tippett's teeming array of

And as Albery plays out the action round and about the wedding party, ever more unruly, with which the opera begins, his most sharply delineated characters can take bold. Strephon's dancers are a purposeful, anarchic bunch, who act out the rituals of the second act in the clothes earlies discarded by the revellers, and the Ancients are no less mysterious and implacable for pot-

The American Quade Winter makes his British debut as tering around in rough garden-ing clothes. Mark, and while his tone is perhaps a little unyielding for the part he cuts a strong impression and displays a fine technique.

spinterish woman sheltering beneath a tottering giant pup-pet, whose vicarious pleasure Paired with Marie Slorach's severe Jenifer they make a for-midable couple, their strength of purpose nicely set against the facklesaness of their in sorting others' lives is devastated by King Fisher's denunciation, even if he is the one physically destroyed.

Sosostris is splendidly realised by Penelope Walker, one of the two survivors from the friends - another example of Albery's careful attention to all Leeds performances. The other is Patricia O'Neill's pert Bella, gently witty and knowing. She is set against Bonaventura Botthe social and parsonal nuances of the work.

David Marsh and Claire Liv-ingstona are the memorable Ancients, and Neil Howlett's King Fisher is a model of clear diction and by no means a thoroughly blackened charac-

ter - darkness and light may be the theme of this opera, but there are always many shades of grey between them in this production. John Pryce-Johns conducts the Scottish Opera Orchestra with a good deal of energy and attention to the fill-

gree detail of the score. The performance wants for sheer weight of tone at times; a larger string section might have helped. But the boundless lyricism and full-throttled ecstasy of Tippett's writing are consistently to the fore and in this production, surely the this production, surely the definitive Midsummer Mar-riage of the 1980s, are given meaning and genuine purpose.

Andrew Clements



Patricia O'Neill and Bonaventura Bottone

I Am Curious, Orange

SADLER'S WELLS

The new Michael Clark extravaganza has already been seen at the Holland and Edinburgh festivals. Now arrived in Rosebery Avenue, it proposes

— as publicity has eagerly told
us — a commentary upon the
tercentenary of William and Mary's accession to the British throne. The Swedish skin-flick title of the piece suggests Mr Clark's irreverent view of events, but what reports about the experience have not thus far indicated is that the evening is of far more interest to hard rock fans than to a dance

The key to the show is the Clark's favoured musicians, The Fall. Their music bangs repetitively on, and is amplified to the borders of pain - I

urge earplugs on any prospec-tive visitor to Sadler's Wells -but it has an energy and a ferocity which swamp dance activity that wears a distinctly demure air. Where once the need to affront his public, often with rudery, gave earlier Clark shows an edge, albeit a brutish one, the purged and cerebral text of the programme as I saw it last night lacks both vitality and any compensatory force of dance imagination.

Michael Clark's difficulty has been, I surmise, to shape a theme from which to develop dance and theatrical incident. What we see is a sequence of joking asides about Dutch and British history, about Catholic and Protestant, and - very strange - about the worst kinds of trasb food (a giant hamburger and a container of Stonehenge-like chips feature in the action).

Of any coberence, beyond the consistency of The Fall's performance, I could detect no trace. Instead, a muddle of comments refracted from the original historical excuse for tha show are variously illustrated by quiet and unadventu-rous dances in Mr Clark's inno-cent post-Cunningham manner

There is a chorus of supermu meraries treading Agag-like in the wake of the Clark ensemble, who are agile but rather coarse in style. Michael Clark was performing last night with something less than his usual speed and grace: the dance seemed underpowered, but a bandaged knee may account

for this.

For the rest, there was a giant telephone, strobe lighting (not imaginatively used), two large tins of baked beans, and a general air of allusions as substitute for production and characteristics. choreographic ideas.

I am Curious, Orange has an oddly tentative air, as if in piecing together its diverse ele-ments, Mr Clark lost both the shape and the purpose of what he was seeking. It appears to me a rock concert with illustra-tions, and may best be seen as a transitional work in its choreographer's progress towards theatrical maturity. Even enfants terribles have growing

Clement Crisp

A Touch of Danger

Well, let me wake myself up. It could be that hanless youth who was probably working for

the CIA: (sctually he was a CIA man because he want round telling people). Also, when casing a room, he opened drawers from the top down-wards so obviously he had not got past chapter one of "How to be a spy in a creaking and doomed thriller." Or it could have been the

chap flashing a pensioner's bus

best Varga, with Karin Lechner, piano. Mozart, Mendelsschu, Schubert (Wed, Thur) (31 45 44).

Doelen. The Halleltijah choral society with the Randstad Orchestra and soloists under Rien Verbeek. Bach, Beethoven, Mendelssohn (Wed) (413 2490).

Romayne Wheeler. Tchaikovsky Handel, Haydn, Wheeler. Votiv-

kirche (Fri. Sat). Vienna Philharmonic Orchestra, conducted by Leonid Bernstein.

Mahler's Sixth. Musikverein (Sat,

Sun) (65 81 90).

Leningrad Philharmoniker, conducted by Mariss Jansons, with Sergel Stadler (violin). Verdi, Mendelssohn, Shostakovitch.

Viener Kammerorchester with

wind players from the Chamber Orchestra of Europe. Schuljoff, Janacek. Konzerthaus (Tues)

Maurizio Pollini piano recital. Brahms, Schönberg and Bee-

thoven. Philharmonie (Sun).

Chamber Orchestra of Europe

with Gidon Kremer (violin) and Yuri Baschmet (viola) under

Nikoans Harnoncourt, Mozart,

Orpheus Chamber Orchestra, with Heinz Holliger (oboe) and conducting. Bach, R. Strauss,

Carter, Wagner, and Mozart. Philharmonie im Gasteig (Mon).

Alte Oper. Herman Prey leider

recitals with planist Leonard Hokanson. Schubert. (Sat, Mon.

Berlin

Konzerthaus (Sat, Sun) (72 12

Synthesiser concert with

"By the way, does the name Lloyd Mitchell mean anything to be from MI5 who had a unique line in walking sticks. They both ended up the same way -incompetently dead on the floor of Max Telligan's apartment near Sloane Square. I recognised Max because he's played by that nice actor

who used to do the Sch...commercials, William Franklyn. His mature charm can usually pack them in at the more sedate provincial theatres, but he needs all his urbanity to get through this sad experience. Franklyn plays

New York New York Philharmonic, conducted by Zubin Maha

(Mon). Philadelphia Orchestra, with Riccardo Muti conducting, Viktoria Mullova (violin), Alexandrina Milcheva (mezzo-soprano), Choral Aris Society of Philadelphia directed by Sean Deibler. Shosta-kovich, Prokofiev. (Carnegie Hall) (Tue) (247 7800).

ducted by Zubin Mehta. Webern, Schönburg, Schubert. Avery Fisher Hall, Lincoln Center

Washington National Symphony Orchestra, conducted by Matislav Rostro-povich. Berstein, Haydn, Brahms (Mon). Mozart, Sallinen, Greig (Tue, Wed). All-Tchalkovsky pro-gramme (Thur). Kennedy Center Concert Hall (254 3776).

Chicago Chicago Symphony Orchestra, conducted by Sir Georg Solti, with Rudolf Serkin (piano). Bee-thoven, Bartok (Wed). Tchaikov-cher Erada Bartok sky, Haydn, Bertok (Thur). Orchestra Hall (435 8122).

Tokyo Moscow Radio Symphony Orchestra, conducted by Vladimir Fedoseev. Moussongsky, Tchaikovsky, Stravinsky. Showa Women's University Hitomi Memorial Hall, near Sangenjaya (Mon) (780 5400).

André Previn conducts the Los Angeles Philharmonic Orchestra. Brahms, Shostakovich (Mon). Berlioz, Strauss, Shostakovich (Tues), Suntory Hell (407 8248), Traditional Japanese Music, Tok-uyama Takashi (shakuhach), Casais Hell (Thurs) (294 1229), La Scala Orchestra, from Milan, conducted by Lorin Maszel. Ros-sini, Puccini, Verdi. Tokyo Bunka Kaikan (Thurs) (725 8888).

it all as if humouring his fel-low actors, the author and the audience, hardly raising an eyebrow when arriving home from Zurich to read about his death in the Standard's stop press. The odd shooting, stabbing, slashing, and garrotting that takes place in his booklined study over the next few hours does nothing to disturb his complacency.

It hardly ruffles the audience either. When the first well laid joke failed to get a murnur you realised that it had given up hope after five minutes, being content to settle back and watch the actors mixing themselves drinks. The dia-

logue consists entirely of explanatory filler, the action is perfunctory; the plot puerile. The only memorable moment is when director Mark Piper has a rush of blood to the head and stages a flashback. Then you realise that this is just an old Paul Temple script which never quite made it in 1950. It had been pretty obvious from the start that Francis Durbridge done it, and how be managed to drag in Pauline

remains the main mystery of a dire evening. **Antony Thorncroft**

Yates and Virginia Stride,

among others, as accessories

SALEROOM

Looking for a piano

Phillips is unique among the salerooms in selling pianos, and its quarterly sale yesterday produced a total of £118,000 with only three of the ninety odd instruments not finding a new home. The top price was the £28,600 paid for a pretty Steinway of 1908, a grand plano in mahogany with ormoln mounts: the price was below estimate, and just missed the auction record that Phillips was hoping for.

In contrast a 1954 Monington and Weston upright in a mahogany case almost trebled its estimate at £1,980 while a Steinway "bondoir" grand piano of 1911 was comfortably within forecast at £4,400. Hambros is £40,000 richer

today following a sale of its office furniture by Bonhams. The bank is moving from Bishopsgate to Tower Hill and was selling off some of the routine contents from the district. contents from the directors offices, acquired in the early 20th century but now sought after for its comfort and solid-ity. An oak pedestal desk dou-bled its estimate at £1,675 and a mock Georgian writing table also far exceeded forecast at £1,320.

Sotheby's at last has a house sale. Its competitors have been busy over the last few months

disposing of the contents of a manor here and a cottage there but Sotheby's has missed out on this profitable trend in auctioneering: house sales invari-ably attract higher prices. Now, on October I1, it is dis-

posing of the contents of Avishays, a listed 17th century manor house near Chard in Somerset, and expects to make at least £700,000. The highlights include a George III mahogany secretaire bookcase of around 1780 which should realise £18,000 and a pair of early George III mahogany armchairs, also with a top esti-mate of £18,000. There are some good clocks, including a William and Mary walnut marque try longcase by John Andrews of London with a £15,000 high

The latest passion in phila-telic circles is painted enve-lopes, which were popular in late Victorian and Edwardian times. A group of ten sent to the young Prince of Wales, later King Edward VIII, by Major Hugh Rose, an officer in the Black Watch, between 1904 and 1916 come np at Christies on December 7, with estimates for individual envelopes of

Antony Thorncroft

Cootinued from Page 11 MUSIC London

Beethoven Plus is a series of concerts between September 18 and December 10 which seek to set the composer's music in the context of his own time. The work of over 50 of Beethoven's contemporaries will also be fea-tured. Royal Festival Hall, Queen Elizabeth Hall, Purcell Room.

(928 3191).
English Rach Festival Baroque
Ensemble, conducted by David
Robiou, with Sandra Dugdale
and Angela Tunstall (soprano), Sharon Cooper and Claire Prim-rose (mezzo-soprano). John Rath (bass) and the English Bach Festival Singers and Dancers. Bach. Purcell. St John's Smith Square (Sat, Sun) (222 1061). National Symphony Orchestra, conducted by Charles Peebles,

DM 100.000.000,-

Serie 233 -- 1987/1991

Listing in Frankfurt.

Floating Rate Notes - Schuldverschreibungen -

For the three months 25th Sept. 1988 to 24th Dec. 1988 the notes will carry an interest rate of 4.85 % (Fibor less 0,10%) per annum with a coupon amount of DM60,63 per DM 5.000,— note.

The relevant interest payment date will be 27th Dec. 1988.

Deutsche Siedlungs- und Landesrentanbenk

Kennedyalice 62—70, 5300 Born 2 Telephone 0228 / 889-215

Teletex 228324 DSL Bank

with John Bingham (piano). Pop-ular classics including Rossini's William Tell Overture, Ravel's Concerto No.2 in C minor, Barbican Hall (Sat) (638 8891). London Symphony Orchestra and Chorus, conducted by Rafael and Chorus, conducted by Rafael Frubbeck de Burgos, with Benja-min Luxon (baritone). Rimsky-Korsakov, Waltoo (Sun); Vaughan Williams, Elgar, Walton (Tue). Barbican Hall. Melvyn Tan, Eric Hoeprich (for-tepiano, clarinet). Rossini, Bee-thoven, Weber. Purcell Room (Mon) 628 3181.

Vic Theatre since 1912 (Wed)

(Mon) (928 3191).
London Soloists Chamber
Orghestra, conducted by David
Josefowitz, with Evgenia-Maria
Popova (violin), Heana Ruhemann (flute/piccolo), Peter Williams (bassoon). Vivaldi. St John's Smith Square (Tue). Ambache Chamber Orchest Ambache Chamber Orchestra. Mozart. First concert at the Old

DSL Bank

(928 7616). David Johnstone (cello), Paul Turner (plano). Beethoven, Ruth Gipps, Dvorak, Tchaikovsky. Lunchtime recital (Thur).

Nouvel Orchestre Philharmond-que, conducted by Yves Prin, with Carlos Roque Alsina (piano). Stravinsky, Levinss, Bou. Radio France, Grand Audi-torium (Mon) (42.30.15.18). I Bolisti Veneti, conducted by Claudio Scimone. Albinoni, Vivaldi, Rossini, Paganini. Grand Amphitheatre, la Sorbonne (Bookings at the Mairie du Ve, Orchestre de Paris, conducted by Daniel Barenboim, with Clau-dio Arrau (piano). Beethoven, Wolf, Boulez, Salle Pleysi (Wed, Thur) (45.63.88.73).

Festival d'Automne de Paris. Concert version of Karl Heinz Stockhausen's opera Montag aus Licht at the Théatre des Champs Elysées, to be followed by a cycle of chamber music by khausen at the Opera Comique. (42.96.96.94, 12.00-19.00, except on Sundays).

Concertgebouw. The Netherlands
Philharmonic, conducted by Gilbert Varga, with Karin Lechner,
piano. Mozart, Mandelssohn,
Schubert (Mon, Tue). Riccardio
Chailly, conducting the Concertgebouw Orchestra, with Julia
Studehaker (horn). Wagenaar,
Hindemith, Bruckner (Wed). (718
345).

Utrecht Vredenburg. The Netherlands Philharmonic, conducted by Gil-

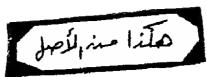
Deutsche Siedkungs-und Landesrentenbank Bonn/Berlin DSL: Bank DM 100.000.000,—

Floating Rate Notes — Schuldverschreibungen — Serie 234 -- 1987/1991

For the three months 25th Sept. 1988 to 24th Merch 1989 the notes will carry an interest rate of 5,15 % (Fibor less 0,10%) per annum with a coupon amount of DM 128,75 per DM 5.000,— note. —

The relevant interest payment date will be 28th March 1989. Lieting in Frankfurt.

Deutsche Siedkings- und Landesrehlenbank Kennsdyaltes 62—70, 5300 Bonn 2 Telephone 0228/889-215 Teletex 228324 DSL Bank





(Computers to break desktop shackles)

(With performance matching desktops)

(Power to go from Toshiba)

A movement is underway. Towards increased effectiveness, greater power, and even better portability. And the leader is Toshiba. Giving you freedom from constraints. Power rivalling the most powerful desktop PCs. And computing when and where you need it. Liberté. Égalité. Portabilité. From Toshiba. And now, two new portables. The Toshiba T1600. With EGA graphics, battery backed RAM, a 20 MB hard disk, and a high

resolution EGA screen: all packed into a lightweight battery portable. And the Toshiba T5200. The portable to replace the desktop dinosaurs.

So free yourself from the tyranny of the desktop. Break away from the bonds of the office. Transcend the limitations of stationary computing. Move up to Toshiba. The First Family of Portables.

The power user

fore such power

portable. Never be-

in a small package.

● Detachable VGA

plasma screen

● 80386 — 20 MHz

(25 ms) or 40 MB

(29 ms) hard disk

expansion slots

• Full size keyboard

■ LapLokTM security

with numeric

Just over 18 lbs

keypad

feature

● 2-8 MB RAM

● Fast 100 MB

Two standard

with 16 grey scales

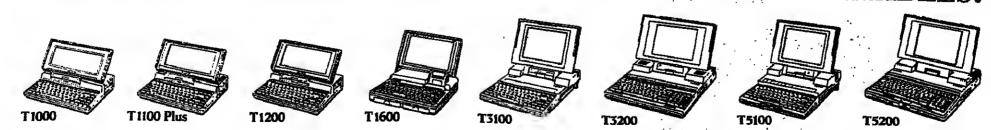
T1600

They said it couldn't be done. But we did it. We squeezed all this into a battery portable:

- Detachable EGA backlit screen with up to 16 grey scales
- Toshiba expansion slot ● 80C286 - 12 MHz
- 1-5 MB RAM
- Hard RAM
- Fast (27 ms) 20 MB hard disk 2 serial ports
- MaxTime™ power management
- Bulk free batteries Only 11.5 lbs with battery



TOSHIBA COMPUTERS. THE FIRST FAMILY OF PORTABLES.



TODAY - TOMORROW

TOSHIBA INFORMATION SYSTEMS (U.K.) LTD, Toshiba House, Brooklands Close, Sunbury-on-Thames, Middlesex TW 167DX, Telephone 0800 282 707.

MANAGEMENT

. Wanted: reserves of good officer material

David White examines a UK Government campaign to convince employers and employees of the benefits of military training

dess whose territory the Territorial Army is after.

"Wa're after the yupple," says Tommy Macpherson, with a mischievous twinkle. More precisely, what he is after is yupples at arms. For Macpherson, chairman of Birmid Qualcast and a handful of other companies, is leading a crusade to get up and coming executives into the TA and Britain's other reserve forces. He is trying to do so by appealing not only to jingoism but also to self-interest.

His task is to persuade fel-

His task is to persuade fel-low captains of industry that encouraging their management recruits — both men and women — to undergo army training could be as useful to them as an influx of top-quality young officers would be to the Territorial Army.

A £10m promotion campaign, launched this week, is directed both at companies, in the hope that they will look more favourably on the idea of staff spending time with the reserves, and at potential offi-cer recruits, in the hope of per-suading them that reserve ser-

vice could actually be good for their image and their careers. The television, press and poster advertising campaign, paid for by the Ministry of Defence and spread over four years, aims to boost the years, aims to boost the reserves' prestige. But the organisers recognise there are a number of barriers to be overcome: family pressures, what peer groups think, what bosses think and, more important still in Macpherson's view, what employees think their bosses think.

"I've hardly lound an employer who doesn't say, 'of course, I support the TA," he says. "And I've hardly found an employee who does think his employer supports the TA."

The hearts-and-minds effort is based on the belief that the experience of army carm and experience of army camp and training exercises can be seen training exercises can be seen to have direct applications in business, especially the early exposure to responsibility. But Macpherson, who is chairman of the National Employers' Liaison Committee for the reserves, insists: "We've got to be credible." Although specific skills are learnt by many Tarri-

50 WAYS TO

more reluctant to contemplate allowing extra leave.

Graham Dsy, chairman of the Rover Group, is a former Canadian territorial who sees a "direct read-across" into management. "At a simplistic level, you were given a responsibility and you had to discharge that.

Now there are people comins Now there are people coming into business without having had any kind of responsibility at all." Since it abandoned national service in the 1950s, Britain is the only major Nato country in Europe without compulsory military service.

Would he be more favoura-



ist? "I'm always interested in people who've done something other than merely go to school." Day says. But mem-bership alone would not be enough to be a recommenda-

Sir Derrick Holden-Brown, chairman of Allied-Lyons, who served with the Royal Naval served with the Royal Naval Volunteer Reserve, is among the prominent industrialists backing the campaign. "Having employees with additional skills and a willingness to produce that extra effort is vital these days."

Macuberton beligges that

these days."

Macpherson believes that from the rank-and-fila upwards, reservists tend to be more disciplined, tidler and

better attenders than other employees. He is waiting for statistical confirmation to back up what he terms "anecdotal evidence" that absenteeism rates are in fact lower among reservists, despite the extra demands on their time and post-fraining-weekend fatigue.
He attributes this to a greater sense of responsibility and to physical fitness.
"Responsibilities in the army

re usually higher, age for age, than in business." he says, arguing that the qualities the army seeks to develop are increasingly in demand.

"Leadership in the old-fash-

"Leadership in the old-fashioned sense has come hack into
fashion," he says. "Management achools don't teach you
that indefinable quality." But
supporters are not always
unconditional in their enthusiasm. The gains, some say, are
not necessarily proportional to
the time an employee stays
with the TA. And a conflict of
interest can arise when a TA interest can arise when a TA man reaches a demanding command position in the force. Along with the public-aware-ness TV commercials, the cam-

paign involves a series of employer-targeted advertise-ments. Letters have been sent out to more than 300 top com-pany chairmen throughout Great Britain (but not Northern Ireland, where companies will not be asked for public backing, since that could make them instant terrorist targets). Each chairman is requested to declare his support, confirm his company's willingness to release personnel, and to nomi-nate a special staff contact.

"I'm a tremendous believer in me-tooism in husiness," Macpherson says. He not only plans to publish a list of the companies that say yes, but is threatening in five years' time to publish "a short list" of those that have said no.

those that have said no.

The Territorial Army needs to step up recruitment to meet the target set in 1984 of a strength of 86,000 by 1980. With a current level of about 78,000-79,000, including the Home Service Force, created for static guard duties, has run out of steem. out of steam.

Britain relies heavily on its voluntary reserves, unique among the European allies, to



the event of full mobilisation, the TA would supply between 30 and 40 per cent of British ground forces, and naval and air force reservists also have

key roles. But this is not essentially a recruiting campaign. If Mac-pherson and his colleagues are out to get managers, it is because the Territorial Army has an internal management problem. The unspoken reality behind the campaign is that the force does not have enough good officers. Low officer quality is one reason it loses as many people as it takes in. The

30 per cent annual turnover rate is considered too high.

The Prima Minister, advised of the turnover problem and the conclusion that the loss of personnel was often in one way or another job-related, asked Marnherson two years ago to head a committee, made up largely of businessmen. A former athlete and war

hero, Macpherson had been London District Colonel in the Territorials. At the same time he had a list of directorships almost as long as his list of military decorations. He says he accepted on condition that a broad range of interests was represented and that its recom-mendations should be taken

"I have a feeling that some civil servants were not keen on employer infiltration." he says He has been trying to extri-cate the TA from the Rambo image, the Boy Scout image, and the Dad's Army image. To make training more palatable, he sought to reduce the demands some units were making - in some cases 25 week-ends or more a year, "if you concentrate the time, it con-centrates the mind wonder-

fully," he argues. But there is no getting around the two weeks in train-ing camp. Some companies provide extra paid leave for the full period. In other cases, employees take leave of absence without company pay. Many go half and half, with one week's extra leave and the other week of holiday. The ideal commitment sought is 27 days a year, 15 at camp and the remainder on spread-out week-ends, plus one evening a week.

The idea of a statutory requirement for companies to release employees, as there exists in Switzerland or the US, causes noses to wrinkle. "It's not part of the philosophy," says Macpherson, a staunch defender of the idea that volun-tary reserves are not only very British, but that they also

Computer project management

How a longer time-scale can save on costs

By Alan Cane

new computer systems has become a major preoccupation with senior man-agement as information technology becomes increasingly vital to business strategy. Executives complain that

systems always cost more than estimated and are sometimes delivered too late to be of any practical use. Now the Butler Cox Foundation, the research arm of the London-based consultancy, believes it has found a way to cut costs in informa-tion systems development.

When calculating how long it will take for a new computer project to come on stream, the foundation suggests that at least 25 per cent is added to the timescale: it is imperative that the development team sticks to the more relaxed deadline. The study, which is still in

progress, has been carried out as part of the foundation's 18 month-old Productivity Enhancement Programme (PEP), a scheme which brings together commercial and pub-lic organisations to examine ways of improving systems productivity through shared research.

The programme has already attracted 68 sponsors in the UK and in continental Europe, including British Gas, Ranks Hovis McDougall and Whit-hread. The Butler Cox team has studied 318 projects among the sponsoring companies.

Meeting project deadlines has been the major headache for data processing managers for over a decade now. Statistics show that some computer systems are delivered so late that they are never put into operation because the original requirement has lapsed. Butler Cox's studies among PEP members show that 46 per

cent of projects are delivered late and 48 per cent are deliv-ered over budget. The conclusion - that substantial savings can be made by taking more time over the project – seems absurdly sim-ple, and indeed, counter to

It reflects, nevertheless, what Butler Cox believes to be a combination of a relative lack of maturity in management services departments and lack of understanding of enior managers.

It argues that when projects over run on time and funding, it is because project managers, auxious to maintain their credibility with management, saddle themselves with unrealistic

And others compound the error. George Cox, managing director of Butler Cox, says that senior executives planning a new commercial Initiative leave information systems con-siderations to the last minute, ignoring the fact that virtually every aspect of a modern business is tied to one computer system or another.
"It takes time to change a

computer system," he points out. "The system dictates how st you can move, yet manag ers only focus on information technology late in the day."
Philips Colling, husiness
development director at Whit-

Systems are sometimes delivered too late to be of any practical use

bread and chairman of the UK chapter of the Society for Information Management, broadly agrees with the Butler Cox

Time and again over 20 years I have seen impossible project deadlines put forward because of a belief among data processing staff that their cli-ents (the company's senior management) would not buy the realistic figures. It is analo-gous to the small huilder who quotes a price and then says half-way through the work 'Sorry, guv, forgot about the lintels'.

"It is not peculiar to the data processing business. It is common to any industry moving from craft base to engineering disciplines."

Grenville Bingham of Butler Cox says: "Rushing software development is unbelievably expensive. Based on our data, a typical British company could save about £120,000 on an average application project by tak-ing simple steps to control the time pressure, often exerted by

he cost of developing systems development among users, for very rapid delivery. learned is that large savings can be made by reducing the pressure, controlling the users and managing impossible aspi-

> Bingham believes the chief value of PEP is its attempt to put software development on a quantitative basis. In this, it is folinwing the work of the US specialist Larry Putnam, who has been collecting data on software development for some 20 years. He is the developer of SLIM, an automated software estimating tool used by the US Defense Department and a number of commercial compa-nies. Putnam has been working with the Butler Cox Founda-tion on PEP.

> An important conclusion from the PEP study is that there is no magic formula for software development, no tech-nique or software tool that can simply be purchased and used to improve productivity. The key to major improvements lies in management, methods and techniques.

> It is a multi-faceted problem and it is important to avoid getting any of the facets wrong, Bingham argues, The PEP team concluded that the productivity of European commercial applications is every hit as good as that in the US. In the UK, however, they dis-covered that developers were being hampered by substantial requirements changes during the project lifecycle. As much as 20 per cent of the specification of an average system was changed while the system was

under development, Butler Cox concludes that the best start a company can make to improving its productivity is to keep and maintain accurate records of software development activities and costs, quoting Allied Dunbar, the UK life assurance group as an example of an organisation which has made a virtue of measurement.

At best, a company following the lessons of the PEP study could expect to improve information systems productivity by 20 per cent a year. PEP sponsors were, on average, already using 46 per cent less effort for a typical project than other UK companies.

ADMINISTRATION VEHICLE MANAGEMENT AND

Aithough you may suspect your organisation's vehicle feel and

mainteence everheads are too high, do you luch the time for as

all-auf attack on the problem?

Take a tiese fock at Dielcerd. Besides giving yes the answer is

the form of an accurate control and monitoring system, Dinkerd

makes algelifeast savings by raducing paperwork and administration. Every month Dielcard provides a series of enique and comprehensive

management telesmatten reparts which review over 58 key espects

of day - to - day receive costs and vehicle operation. Diefcord

reports applyse feel and molalesones

expenditors, track mileoges, klahlight

ecomolies and give a check on vehicles due for servicing. For good mearors, they also

glas cost-per-mile auf MPG figures in a way

ehicles eith ethers at the same type. See what you've bear missing. For a semple set of reports, contact Dialcard Limited, 2 Berston Road,

Opper Richmand Rood, Loudge SW15 4SD. Telephone: 01-785 7337.

Faz: 61-788 6548. Telaz: 23165.



nd Limited, 8 Rossian Roud, Upper Michaeud Roud, Landon SW15 453.

FINANCIALTIMES

An intelligence network for

1992

JOHN LAWTON FINANCIAL COMMUNICATIONS 16 Hatton Garden, London EC1N 8AT Tel: 01-404 4812 Fax 01-831 9186 Telex: 896462

TRINIDAD AND TOBAGO

The Financial Times proposes to publish this survey on:

MONDAY 3RD OCTOBER

For a full editorial synopsis and advertisement details, please contact:

NIGEL BICKNELL

on 01-248 8000 ext 3447

or write to him at:

Bracken House 10 Cannon Street London EC4P 4BY

DISTRIBUTION **SERVICES**

The Financial Times proposes to publish this survey on:

29th September 1988

For a full editorial synopsis and advertisement details, please contact:

> Clare Reed on 01-248 8000 ext 3365

> > or write to her at:

Bracken House 10 Cannon Street London EC4P 4BY

FINANCIALTIMES

ghi hatten seplace the

itations of a Family of

le. Never be n in paints hall package. n hable VGA BLA SCREEN In urer scale as 20 Mili AB RAM ne or 10 MB ne hard disk

white the mston slots wild key board numeric

BRACKEN HOUSE, CANNON STREET, LONDON EC4 P4BY Telegrams: Finantimo, London PS4. Telex: 8964871 Telephone: 01-248 8000

Friday September 23 1988

Action on LDC debt

AFTER successful containment for six years, the "debt crisis" has diminished in the public consciousness of the industrial countries into a mere "debt problem." But such complacency would not be warranted even if the debt problem could be guaranteed to remain short of critical — and there can be little confidence that even this will be achieved.

Satisfactory resolution (not mere containment) of the debt problem remains a vital interst of the industrial countries. There are two key strategic issues. First, mistakes made as long ago as the 1970s and the early 1980s should not continue to cast their shadow on the prospects of beavily indebted developing countries throughout the 1990s. Second, those developing countries that have made adjustments towards fiscally prudent, market-led poli-cies need to be rewarded. On present policies, neither of these strategic objectives will

be attained. As a sensible analysis in this year's Trade and Development Report from Unctad shows, the aggregate debt profile of highly indehted countries has actually worsened since 1982. The ratio of external debt to gross domestic product in the high-ly-indehted middle income countries has risen to 50 per cent in 1987 from 42 per cent in 1982. The ratio of debt service to exports has also shown no decline, while in 1986-87 no fewer than nine Latin American countries fell behind in interest payments.

Great cost

Worse, this lack of success has been at great domestic cost. Real income per head in the middle income indebted countries in 1987 was 8 per cent below the 1980 level. Indebtedness has, indeed, been a grievous fault and grievously have indehted countries

Despite substantial adjustment in their external accounts, neither the aggregate creditworthiness nor the growth performance of highly indebted countries bas improved. The risk remains that a recession or just signifi-cantly higher dollar interest rates (both probable rather than merely possible over the next several years) will bring an increasingly unstable struc-

ture down around our ears. What the aggregates reveal is suggestive, but what they conceal is vital. There have been major differences among countries in their willingness to take the needed steps to deal to take the needed steps to deal growth. They must received growth. They must received growth their prohlems. Among the hig indehted countries perhaps the most striking policy changes bave occurred in the striking policy performers who will be rewarded at all.

Mexico, whose progress in trade liberalisation, in particular, has been truly remarkable. From being one of the world's most protacted devaloping countries, Mexico is now on the way to being among the more liberal.

Lack of reward

The problem is the lack of reward. Between 1980 and 1986 Mexican GDP grew at an average rate of a mere 0.4 per cent a year. Between 1982 and 1986 Mexico transferred resources abroad equivalent to 4 per cent of GDP, these transfers being one and a half times larger in relation to national income than German reparations after the First World War, and there is virtually no end in sight. It can be small wonder that the stability of the Mexican politi-cal system is showing the strain. The danger of relapse is

enhanced by the risk of conta-gion from those who perform worst. Private lenders are forced to provide most relief where the the prospect of debt recovery is least. Those who have made the greatest effort then feel that the benefit accrues largely to their creditors. The deht problem is replete with moral hazards, but this is probably the most serious, for it undermines what should be among the most important objectives: to secure a successful transformation of

to be a prospect for a reason-

ably well-managed indebted

developing country to adjust

with growth, not with stagna-tion. Second, commitment of

resources (directly or through

guarantees) will be required of governments of the industrial

countries - better to do this

voluntarily now, than involun-tarily later. Third, these gov-ernments should encourage

commercial lenders to see their own interest in rewarding the

better performers by voluntary

deht reduction now, rather

than the worst performers hy

forced reduction later. Finally,

should indeed be kept on a

short leash, the better performers should be rewarded by the

sort of debt reconstruction

(including forgiveness) that

will allow planning for contin-

ned adjustment and renewed

while the poor perform

policy. There is now an opportunity The candidates have been to do something about these problems, for there is one important respect at least in which the debt problem has would address them improved since 1982; the strengthening of the financial institutions. The key require-ments are four. First, there has

ssues, have left him vulnerable. Pulling no punches - and throwing

Ironically the success of the Bush Vice President to avoid addressing also involve turmoil and struggle."

FINANCIAL TIMES Stewart Fleming and Lionel Barber examine the differences between the US presidential candidates on foreign policy issues

Experience versus change for a testing time

he US is entering a new era in its relations with the rest of the world in which the foreign policy priorities estab-lished by President Ronald Reagan when he took office look increasingly

out of date. Both candidates in this year's presi dential election, Vice President George Bush and Governor Michael Dukakis of Massachusetts, are aware of this and the Reagan Administratins and the Reagan Amministra-tion itself has been adjusting pain-fully to the new realities. But the made-for-TV images of the campaign have left American voters with little sense of the challenges ahead. The candidates themselves have been unable or unwilling to articulate either the scope of the challenges, or how they would address them.

Mr Bush, as a quasi-incumbent running on the Reagan record of peace through strength, wants to keep the focus on the past. He has no reason to raise doubts about either of the Reagan Administration's twin foreign policy priorities: the huge military build-up and the confrontation of communist expansionism in Third World countries.

Governor Dukakis, the ontsider with no foreign policy credentials, is trying to highlight the shortcomings of the Reagan record and in particular to focus voters' attention on the need for change. But his lack of rhetorical skills and experience in foreign

unable to articulate the challenges and how they

affairs, coupled with a failure earlier in the campaign to insulate himself from Republican attacks on defence

several low ones - Mr Bush has told Americans that by electing Mr Duka-kis they would be gambling on an unknown quantity. He has even raised doubts about Mr Dukakis's ratriction. This strategy has realized patriotism. This strategy has worked far better than Mr Bush's campaign advisers could have imagined. As a result, Mr Bush goes into the first presidential television debate on Sunday night in command of the national security debate and with the political tide running in his favour.

campaign's tactics have allowed the any detail how he would tackle chaliges which some of his campaign advisers are saying will confront a new President. "The post war era in international relations is coming to an end," says Dr Henry Kissinger.
"Such periods of transition have always presented opportunities, but Many US foreign policy analysts share Dr Kissinger's view that the



declining appeal of communist ideology and central economic planning -not only in the Soviet Union and China but also around the world - is a historical turning point which will require a carefully calibrated

response from the US.

Just as important, the mood of the American public is in flux. "The current attitude of Americans towards the Soviet Union is different from anything we have seen in 40 years," writes pollster, Mr Daniel Yankelovich, and Professor Richard Smoke of Brown University in the latest issue

of Foreign Affairs magazine.

They describe a "new thinking" among Americans on foreign policy.
Towards Moscow they detect a mood of "wary readiness," wanting relations to improve, but without tha excessive optimism of the Nixon-Brezhnev détente of the early 1970s. More generally they say: "Worry about whether the United States can

compete successfully in the world economy has reached the point where it is perhaps for the first time considered a vital national security issue." Mr James Baker retired as US Trea-

sury Secretary last month to run the Bush campaign and is likely to be Secretary of State in a Bush Administration. He recently highlighted the increasing importance of the economic aspects of national security. In a rare on-the-record interview

with the Wall Street Journal, Mr Baker said: "The scope of the national security debate has been broadened to include the economic dimension. And I think the reason for that is that the economic domination of the United States, which has long been taken for granted, is, to some extent, now being questioned."

This shift is coming at a time when the US is burdened by huge budget and trade deficits and beset with concern about its long-term competitiveness. Neither man is addressing directly how to resolve the deficits problems which are cramping America's freedom of action around the world, creating tension with its allies, forcing the Pentagon to prepare for an era of drastic cost-cutting and raising doubts about Washington's ability to lead the West.

This has domestic, not just international, political implications which will make the next President's joh more difficult. Foreign policy — trade

relations and the division of the West's military burden for example— is becoming less the preserve of diplo-mats and professors and increasingly a pocket book issue.

Of the two candidates, Governor Dukakis, needing to challenge the Reagan record, has been more explicit about the need to rethink America's approach to foreign policy. While backing nuclear deterrence and the modernisation of the nuclear arsenal, underscoring the importance he attaches to the Nato alliance, and endersing Mr. Percent arms control. he sees as the Reagan Administra-tion's excessive investment in mili-

On military spending he favours a "stable" Pentagon budget and has identified major spending programmes he opposes. These include the Midgetman mobile missile and the rail-based MX missile, plana to expand the number of naval carrier task forces and the expensive "Star Wars" Strategic Defence Initiative

He is careful, however, not to give Mr Bush new ammunition by appearing too optimistic. "It is a mistake to suggest that everything has changed. Mr Gorbachev has not abandoned Soviet goals but rather seeks to advance those goals through different

He has also begun to argue that the US should test Soviet intentions by linking progress on US/Soviet rela-tions to changes in Soviet behaviour in key areas, "If there is to be a fundamental change in the relationship of his country with the Western world there must first be a fundamental

can be more influential in the world if it abandons what he sees as the Rea-gan Administration's penchant for unilateral initiatives such as the invasion of Grenada and the intervention in the Lebanon. He puts more emphasis on working more closely with allies and through multilateral agencles such as the United Nations.

He has no time for the Reaga Administration's "Lone Ranger" approach to confronting communism in the Third World. He backs the regional peace plan in Central America launched by President Oscar Arias of Costa Rica and rejects US military aid to the Contra rebels in Nicaragoa. He also calls for the US to take the lead in imposing international sanc-tions on South Africa to try to force a change in apartheid.

endorsing Mr Reagan'a arms control policies, he has been critical of what tary hardware.

His approach towards the Soviet Union seems to reflect a more opti-mistic assessment of the prospects for change in Moscow than Mr Bush. This is based, in part, on the view that Moscow's domestic economic problems, rather than, as Mr Bush argues, the US military build-up, brought Moscow to the arms control

change in the balance of forces in central Europe," he has remarked. The Governor believes that the US

(Democrat) DUKAKIS Favours multilateral USH (Republican approach to international issues - especially Emphasises world leadership role for US through the UN Endorses Reagan arms Endorses Reagan arms control policies. Cautious control initiatives but but optimistic view of favours tough approach changes in USSR to USSR. Says Cold War is not over Proposes to stabilise military spending: would Stresses need for cut SDI spending by 75%. military strength though committed to keeping military spending in line with inflation, Backs Backs Arias Central SDI research & testing America peace plan. Rejects aid to Nicaraguan Contras Backs aid to Nicaraguan Contras Supports sanctions against South Africa Hostile to sanctions against South Africa

The Reagan Administration has acted alone when it should have sought support from our regional friends and allies. It has relied on force when it should have used diplomacy. It has tried to manipulata nations when it should have tried to understand them," Mr Dukakis says. Even though he has consistently maintained that the West needs to strengthen its conventional forces, in combination his foreign policy posi-tions have left Mr Dukakis open to Mr

Unlike Mr Dukakis, Mr Bush does not have to convince voters that there is a need for change

Bush's charges that he is just another idealistic "liberal" Democrat who does not see the need for a strong US mili-

tary and forceful American leader-

ship.

Mr Dukakis last week belatedly began to toughen his rhetoric on the defence issue hy, among other things, highlighting some weapons systems he does support. But he has not shaken off the doubts among Americans which Mr Bush has succeeded in arousing.

Mr Bush is evasive about the future

but familiar and reassuring in his view of America's role in the world. "When you look at the world as it really is, in the final analysis there is no substitute for us, for the United States of America," he says. Unlike his campaign chairman Mr Baker, he steers clear of the issue of America'a economic standing in the world and the relationship of this to national President Reagan on relations with the Soviet Union arguing that "the Cold War is not over."

Mr Bush's rhetoric is aimed more at

boosting his support in the polls than providing an outline of his policies. He has been seeking in particular to retain the support of conservative Democrats who backed Mr Reagan and right-wing Republicans who sus-pect that the Vice President does not

share their anti-communist fervour. He has carefully left the impres that what he stands for above all is continuity. He too has endorsed the Reagan arms control policies. He has implied that the emphasis on military strength will continue in a Bush Administration while ducking the issue of where he will find the \$200bn of Pentagon budget cuts which the Congressional Budget Office says will be needed to meet his goal of keeping defence spending from growing faster

By running on the Reagan record, Mr Bush has made Mr Dukakis the issue, not foreign policy. So far it has worked: Mr Bush'a still unexplained role in the Iran/Contra scandal has died as a campaign issue, so too has the Reagan Administration's relation. ship with Panama's strongman General Manuel Noriega and the stale-

mate in the Middle Fast.
Unlike Mr Dukakis, Mr Bush does
not have to convince Americans that there is a need for change or that he understands foreign policy. There are residual doubts about his effectiveness and judgment. But he has a record which is impressive to voters. In addition to his seven years as Vice President, he has served as US Ambassador to the UN and China and head of the CIA.

Mr Bush also has a team in place which is experienced in government, mainly individuals who are perceived to be pragmatists like himself rather than conservative ideologues. Mr Baker, for example, is a known quantity. He has shown in the interna-tional monetary sphere that he wants the US to play a leadership role and to seek co-operation with its allies, usually on his terms. He is not above to strong arm tactics he feels the need. In effect Mr Bush is giving Ameri-

cans the same message he is giving the allies: "Trust me." Unless Mr Dukakis can make a more convincing case for change, the voters may well give Mr Bush the benefit of the doubt on foreign policy — hut only at the expense of a clear idea about what that choice really means for the post-Reagan era.

Partnerships in inner cities

WHAT ROLE should husiness play in urhan regeneration? The Confederation of British Industry (CBI) has no doubt that the key to arresting inner city decline lies in a partnership between local business leaders and public sector agen-cies. But a CBl task force on urhan regeneration also argues, in a report published yesterday, that strong economic activity and a healthy property market are precondi-tions for achieving wider social and community objectives. It is, then, a chicken and egg problem; and as the authors of the report rightly remark, the problem cannot be overcome in the absence of husiness confi-

To put it in rather more concrete terms, a commercial return on an investment in a depressed urban area lies partly in the eye of the beholder. Minor variations in assumptions about rental returns can, for example, dramatically affect the viability of development projects. The pen-chant of developers and financing institutions for investment in a given city often owes as much to fashion and instinct as to detailed appraisal of the prospects for the local economy. It follows that psychology and perception can be as important as the injection of public money in breaking into a cycle of economic and social decline. Hence the CBI report's emphasis on the need for an agreed "vision" for the future of the city and for the promo-tion of so-called flagship pro-jects which are aimed at confidence building.

It is an approach that has worked well in parts of the US. which enjoys a number of advantages that are lacking in Britain for managing inner city problems. For a start, city management in the US is less riven with ideology. There is

also the very un-British tradition of the executive mayor. In the UK the case for partnership between local authorities and local businesses is over-whelming. But in the present demoralised state of local government, turnover among senior officials is high and financial management is too often in a mess - though there have been notable success sto-ries, for example in Glasgow and Newcastle.

That lack of ideology in the

US is also reflected in the fin-ancing arrangements of local government, where it is commonplace for state and city pension funds to be required by law to invest a specific per-centage of their portfolio in their own back yard. In Britain, by contrast, both bank and equity finance is heavily centralised on London. No doubt clearing banks and the institutional fund managers in London do their best Part in London do their best. But it is inevitable that finance, and venture capital in particular, will tend to weigh risk and reward more acutely when locally based. Only the building society movement in Britain is organised on a truly regional basis – which says a great deal about the way the modern British economy

The report's call for a wider distribution of venture capital outside the south east is therefore welcome. Its case for more effectiva planning procedures and other measures to make urhan redevelopment easier will undoubtedly receive sympathetic consideration from the Government. But these initiatives will not be fully effective if the Government's own changes to the rating and social security systems are insensitive to regional and inner city problems. To date sucb sensitivity has been

Agnew gets Observer

the strategy of RTZ, a neigh-bour around the corner in Lon-

don's St James's Square; and Agnew volunteers that his phi-

losophy is close to that of Derek Birkin, RTZ's chief exec-

part to play in the current bat-tie? That's up to them, says

Agnew. For his part, the only thing that matters is present-ing the case for Gold Fields'

PM's letter

■ Neville Chamberlain flew

to Germany for his famous meetings with Adolf Hitler 50

years ago on scheduled flights by British Airways, a company

then largely owned by S Pear-

son, now the parent company

of the Financial Times. A letter

found in the Pearson archives

reveals that almost immedi-

ately on his return from Bad

to Clive Pearson, the British

Airways chairman, to express

his appreciation.
The letter, dated 25 Septem-

ber 1938, reads in part: "The

flight in each direction was

Godesberg he wrote personally

utive. So could RTZ have a

Rudolph Agnew is in a determined mood. Chain smokcan group, unlike Gold Fields, has failed to adapt to the times. The days of the large ing Citanes, and sipping diet Pepsi from a wine glass, the chairman of Consolidated Gold Fields does not hold back his views about the Oppenheimer head office, and the broad spread of interests through a portfolio of associates and minority interests are over. empire, whose Minorco off-shoot made a hostile takeover Today'a mining house needs to be much more streamlined, bid on Wednesday. investing in exploration in its He likens it to a medieval main mineral businesses rather than in stocks and shares, and developing effi-cient, low cost mines.

court revolving around the throne of Harry Oppenheimer, to whose hands all the strings of power can be ultimately traced. All decisions are made by the executive committee: in his years on the board of Oppenheimer company) he'd never been asked to share in a single important decision, he claims. "How any red-liv-ered man can work for that lot beats me.'

tough

According to Agnew, the concepts put forward by Minorco in its offer are very like those which he himself had proposed during unpubli-cised and abortive merger talks two years ago — with crucial differences: Minorco says it will sell the group's holding in Gold Fields of South Africa and Newmont of the US. The motive in both cases is political, Agnew believes. The South African government would not stand for a further concentration of power in Oppenhei-mer hands, while the Americans would not want a major public company to be acquired by a group with South African

parentage. Although Minorco is now sounding snooty about Newmont, Agnew says that Julian Ogilvie Thompson - the Minorco chairman who is on the Gold Fields board - had earlier been all in favour of increased investment in the US company. "His words were: 'bugger the balance sheet"."

Agnew argues that the nature of the mining finance business has changed radically over the past decade, and that Oppenheimer's Anglo Ameri-



BANX

accomplished with an ease and rapidity which I, as an inexperienced air-traveller, had not previously thought possible.

I am very grateful for the pains taken by your Company to ensure the speed, safety and comfort of my journeys, and I hope that you will convey my thanks to all those who by their efforts contributed to these ends."

Job for Silva

who fell out with his Government over its foreign debt management two years age, is back on the public stage as the new head of the Latin American Monetary Studies Centre (CEMLA). CEMLA, based in Mexico City, is the technical secretar-

members, who voted unanimously for Silva this week,

Jesus Silva Herzog, the for-mer Mexican Finance Minister

iat for Latin America's central banks and an economic policy think tank for the region. Its claim that a man of his calibre could revitalise a flagging institution. "He will probably

spearhead a serious study of the debt issue which could eventually lead Latin America to adopting a common posi-tion," one Mexican central hanker said yesterday.

If Silva had not left the Government, he would have had a strong chance of beating his

arch-rival, Carlos Salinas de Gortari, to the Presidency. He remains a political beavy-weight who flirted with weight who flirted with
Cuauhtemoc Cardenas, the
left-wing nationalist candidate,
during the election campaign.
It was assumed that Salinas
would give him a good
embassy, such as Washington
or Tokyo, to keep him at arm's
length. The CEMLA appointment means that an able man
of unsatisfied ambition will
still be around at home.

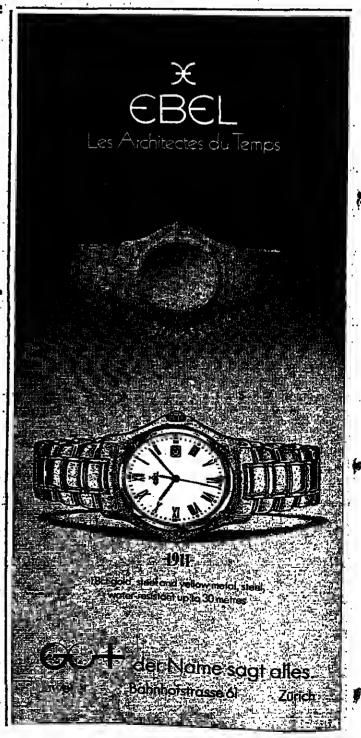
still be around at home.

Balancing act

The Japanese have invented another new English phrase: "expanded equilibrium". The term will be used to gloss over the embarrassing fact that the country's exports are still growing very quickly, and thus the process of external adjustment (another euphemism the Japanese might well have invented) is not proceeding as quickly as the leaders of the Crown of Seven bened the Group of Seven hoped. Since imports into Japan are growing even more rapidly than exports, this has led to the hypothesis that exteral adjustment will indeed be real-ised as the country achieves an expanded equilibrium. Akira Nambara, the director of research at the Bank of Japan, claims authorable of the phrase, which yesterday achieved official status, appearing in the Economic Planning Agency's monthly report to the Cabinet.

Serious note

■ A German professor of philology began his lecture on humour: "A German joke is no laughing matter."



POLITICS TODAY: Joe Rogaly

Without a leader of the pack

ritain's opposition voters will not defeat the Conservatives until they find a leader. This may seem obvious, but it is also remarkable. For the quality of political leadership matters more in contemporary Britain than it has in times past - as, say, when Attlee defeated Churchill in 1945. Leadership is of greater significance than in the United States where, for example, neither of the two present contenders for the White House seems to be possessed of the character of an Eisenhower or a Kennedy. Judged by the theatrical performance of Mr Ronald Possesses ald Reagan, neither Mr Bush nor Mr Dukakis seems to amount to much as a communicator. The one sets the a communicator. The one sets the blood racing at about the same sluggish pace as the other. Thinking Americans will choose according to how many millimetres left or right of centre they wish Washington to be; the larger, unthinking, electorate will be swayed partly by perceptions of immediate economic self-interest and partly by "sound hites" on radio and partly by "sound bites" on radio and

DOSITION POLICY

September 1997

: :: 11.23,-11.2 bood 1⁹⁴

and to heath

Track & Mark

Easter and to

Coupe .

Complete Sanctions

Area Area

The late of

morrow of a

34t fm? u. s. ...

S TOTAL

12 cm

TO B

in the Martin

DIT ADDRESS

n yang dalam Ter

Comment Set 52

COMPLETE AND DE

्र अध्यक्ति

n : 5 123

Military Face

snippets on TV.

In Britain the characteristics of the individual party leaders are for the moment of considerable importance.

All three national opposition parties espouse some form of "social democratics" which is a consequence on he racy," which in a general sense can be taken as an acceptance of competition and the market as a means of generating wealth, with the dispute being about how to share the fruits. This is broadly true even of the Labour Party under Mr Neil Kinnock. What is miss-ing is a leader with the ability to unite either the parties or a sufficient number of their supporters to stand a chance of victory at the next general election. In the absence of such a con-certed opposition, the Conservative Prime Minister, Mrs Margaret Thatcher, will continue to dominate — not only at election-time but also in the day-to-day conduct of government. The candidate who is widely believed to be possessed of the neces-sary sense of what a leader should be is Dr David Owen. He showed at the Social Democratic Party conference this week that a great deal can be done with a cardboard stage set, an extended family of ardent admirers, and a nice fat cheque from rich supporters like Mr David Sainsbury, to name but one. Dr Owen is no rousing orator, but he speaks with confidence, and usually without obvious reference to a script. He is devilishly handsome. Radio and TV producers, to say nothing of newspaper writers, are delighted to publicise what he chooses to feed them. He has demonstrated over the years that he will stick to certain fundamental principles; including the maintenance of an independent nuclear deterrent and the pursuit of the "social market economy, at whatever political cost to himself. He specialises in the



no-nonsense clarity that is Mrs Thatcher's trademark.

For all these reasons the common adgment is that he is the only one who comes near to the political attractiveness of Mrs Thatcher. This may be true, but attractiveness is not in itself a sufficient quality. Mrs Thatcher, who has redefined the word leader in her own image, has shown throughout her career that she knows how and when to compromise, or even to retreat. Dr Owen has not. She stayed in the Conservative Party and fought to win control over it so that the could make the could be to her the could be t she could govern according to her own ideas. He left the Labour Party, and shied away from cementing the Alliance with the Liberals. In both cases it seemed to him that the odds against bending everyone to his will were too great. It would not have seemed so to her. At his own party's conference in Torquay this week Dr Owen could be seen at one moment sidling around the hall as if inspecting his property and at another sitting on the platform, impatiently writing notes while others applanded a speaker. These were his people. The lovelight was in their eyes. Yet even among them you could wonder whether it would be for him another resigning issue if, one day, they fall to follow his moods. Leadership some-times requires close political in fighting. Dr Owen is not a good man in a

question of next week is, does Mr having entered parliament only five Paddy Ashdown have the potential to years ago. He has shown both impul-

become a challenger to the Prime Minister? Writing those words sug-gests a short two-letter answer, but Mr Ashdown should be given the benefit of the doubt. After all, he has yet to make his first major speech as leader of the Social and Liberal Democrais, the new centre party formed from a merger of the Liberals and a majority of the members of the Social Democratic Party. It would be wrong to prejudge him.
All that can be said now is that it

No single, powerful commander of the non-Thatcherite forces is likely to emerge until after the next election

will be a surprise if he does turn out to be the champion that the opposi-tion so badly needs. His face is as finely chiselled as that of Dr Owen, but he does not have the advantage of a ready-made TV image as a lean, tough man of principle and intellect (although he came across well in the SLD party political broadcast this week). I am not aware of a claque of wealthy Ashdown supporters like the one that has clung to the doctor. Mr Ashdown is politically inexperienced,

siveness and indecisiveness, not to mention a famous change of mind on the nuclear deterrent. He is, in my view, a swot, a man who will get up early and work long and hard over his papers, seeking to master all the detail. President Jimmy Carter was like that, it left him too little room for developing that intuitive grasp of the essentials of a matter that is perhaps the first item in any list of what qualities make a true leader.

Mr Ashdown also bears upon his Mr Ashdown also bears upon his shoulders the very heavy burden of a disparate party that houses some exceptionally awkward people. Some of his senior parliamentary colleagues have indicated that they are uncomfortable working under his leadership. Some are cavilling at his strategy of seeking to strangle the SDP with his bare hands. Others are sulkily saying that the proposal to use the abbreviathat the proposal to use the abbrevia tion "Democrat" will split the party. The advance papers for the SLDP con-ference, which opens in Blackpool this weekend, indicate that it may be marred by single-issue fanatics, of the kind that have done so much damage

He does have some strengths on which to build. The Democrats can which to build. The Democrats can boast an impressive array of local supporters and elected councillors in most parts of the country. This is largely the legacy of the old Liberal Party, but it is enhanced by the more workable SDP constitution, much of which has been adopted by the new united party. The SLDP leader has

All of this belps to explain why Mr Ashdown has spent the summer weeks since his election to the leadership in quiet preparation. He has chosen to keep out of the limelight, in an effort to tidy up the party headquar-ters. His visits have been to party workers, rather than the TV studios. He is a determined man, ready to slog doggedly through a list of tasks of which the first is establishing the identity and distinct purpose of his new party and his own leadership.
That identity will be a thoroughly
modern mix, containing (a) the notion
of citizenship in a market economy,
(b) an unadulterated passion for Europeanism and (c) a strong dose of Green politics. He aims therefore to promulgate a vision of a classless, if left of centre, party of the 21st cen-

The penalty for all this initial desk work has been a loss of initiative to Dr Owen. We shall have to wait to see whether there is to be a pay-off of a more lasting kind.

tury. He cannot be accused of lack of ambittion.

In the following week it will be the turn of Mr Neil Kinnock to re-estab lish his authority as leader of the Labour Party. This is a far more diffi-cult task than the one faced by either Dr Owen or Mr Ashdown. Seen from a Labour Party perspective, Mr Kinnock has done his best. He is taking charge of a streamlined headquarters opera-tion, improving internal procedures, and trying to force the pace in the "policy review" (which means aban-doning many vote-losing left-wing policies). The question that remains, however, is whether the Labour Party can win an election while its finances, its conference votes, and on too many occasions its leaders, remain under the control of the trade unions. The sight of Mr Ron Todd of the Transport and General Workers Union sealing the fate of Mr Roy Hattersley as deputy leader (not to mention Mr Kin-nock as leader) earlier this week suggests that victory for Labour may be

It is for this reason that no single, owerful commander of the non-Thatcherite forces in Britain is likely to emerge until after the next election. Wishful thinkers speak of a hung parliament, in which Messrs Ashdown, Kinnock and Owen, plus come Celtic nationalists, come together to form a government. In those circumstances Mr Kinnock would have the most troops. Realists would have the most troops, keansts envisage a fourth Conservative victory, following which the Labour Party either changes character completely or, more likely, suffers a further schism. In that highly probable circumstance the character of political leadership that is available at the time will be of especial importance, LOMBARD

Sweden's way with workfare

By Robert Taylor

British labour movement as the outstanding success story of democratic Socialism. Last weekend's latest election victory for the ruling Social Democrats provides further evidence of their popular appeal. British union leaders like to contrast what they see as the admirable Swedish approach to industrial training with the bargain basement efforts of the Thatcher Government.

But the widespread admiration for Sweden on the left in Britain often seems to take a rather selective view of what happens in that country. Indeed nobody on the British left appears ready to recognise that Sweden practises, and has done for many years, a coercive workfare system for its unemployed.

It is true that the Swedish welfare state does provide extremely generous levels of benefit for its jobless, up to about 85 per cent of after-tax wages. But then very few of those in the labour market in Sweden ever find themselves in the position of having to claim such a benefit, and when

ciaim such a benefit, and when they are, they receive it for only a limited time.

The fact is that Swedes believe passionately in the work ethic and they fail to see why they should subsidise with lavish state benefits those who do not wish to he employed in the labour mar-ket. When offered a job or a training place by the state monopoly labour market office, nobody can refuse to take what is on offer without losing enti-tlement to benefit.

In the early 1980s many Swedish policy-makers were concerned at the growth in youth unemployment. As a result the ruling Social Demo-crats introduced a programme of youth teams for those 18 and 19-year-olds who were finding it hard to secure a job. The scheme requires them to work an average of four hours a day for five days a week at going rates of pay, but they are also required to spend two hours a week job-seeking under the scrutiny of the labour market service. This is not a voluntary scheme. Compulsion is an integral part of the system and this raises no opposition inside the Swedish labour movement.

Last November Mr Norman

SWEDEN is regarded by the Fowler, the UK Employment Secretary, enthused about the Swedish workfare approach when he travelled to Stockholm to see for himself. A recent publication from the radical right's Adam Smith Institute wrote approvingly of the Thatcherite values that it saw behind the Swedish atti-

tude to labour market policy.
But hoth left and radical right are in danger of failing to employment strategy must be viewed in a wider context. The workfare approach is acceptable to most Swedes because the Government upholds an official commitment to full employment. All the political parties in Sweden believe in this, even if it has meant accepting a higher rate of inflatioo than exists among some of the country's main competi-tors. Indeed, training and employment planning lie at the heart of the country's eco-

nomie strategy. Enormous public resources continue to be poured into the labour market system. A good that the Swedish employment service employs more than twenty times as many general staff and officers per unemployed job-seeker as its counterpart does in Britain. The trade unions co-operate at every level in the administration of the system.

The left in Britain is wrong

to condemn the principles of workfare on ideological grounds. There may well be understandable objections to specific aspects of the new employment training scheme, particularly on just how much genuine training will he on offer with a job place, but the Swedish example suggests there is nothing virtuous about upholding the right of people not to work or be trained. Indeed, by giving the impression that the benefit system has a duty to pay people to stay in idleness if they wish to, British union leaders east doubt on the sincerity of their own commitment to the concept of full employment, Certainly their Swedish colleagues will tell them that the kind of workfare principles which they accept remain an integral part of the employment strategy many on the left in Britain rightly admire so much.

LETTERS

US insider trading

Sir, In the context of his article, "Putting Insiders Inside" (Lombard, September 19), Richard Lambert is misleadingly ambiguous about the state of insider trading enforcement in the US. His article is about a literal-

ist interpretation by an English court of English insider trading law. When he says for all the ballyhoo in recent weeks, the US authorities had very little success over the years in bringing prosecu-tions," he gives the impression that the difficulty has been with unsympathetic and liter-alist courts.

That is not so. If US courts can be criticised it is becuase they are too freewheeling. which is one of the reasons why we have so much litiga-tion and so many very large

In the US, the problems of enforcing insider trading rules are mainly confined to market professionals. Their violations are very difficult to detect, not to prosecute. Golf club tips are, by comparison, a piece of cake to detect. Once violations are detected, prosecutions and civil enforcement: proceedings are usually very quick and suc-

From Mr David Fifield. Sir, An acceptable model for

company objectives can be distilled from four letters you have published. If we agree

that the receiver of the goods

is a customer, then in Mr Campbell's model (August 24) there are three stakeholders,

not four: the owners, the

ing the strongest position in the UK compared with Ger-

With traded ownership hold-

employees and the customers.

Defining company objectives

The Securities and Exchange Commission's civil complaint against Drexel Burnham provides an interesting example of the problems posed by market professionals. A large part of that 184 page complaint is that 184-page complaint is taken up with allegations of schemes to avoid making required filings to disclose ben-eficial ownership of securities. This is a very important dis-tinction to keep in mind, because the London securities industry is becoming increasingly competitive, and much more like the industry in the

The debate that Richard Lambert mentions, ovar whether insider trading is really good or bad, has had no influence - that I can detect - on US courts. Even the securities industry never tries to justify insider trading. The view that insider trading is really a good thing is limited mainly to a tiny segment of academic economists and law-

yers. Leo-Herzel, Mayer, Brown & Platt, 190 South La Salle Street,

many and Japan, we should expect a skewing in the model

I would add that the skewing

leads to short termism in Brit-

ish company policy.
David M. Fifield,

Weston Underwood Olney, Buckinghamshire.

Danger for the Third World

From Ms Sheila Page and Mr hristopher Stevens. Sir, Berkeley Hill (September 21) dispels one myth about EC agricultural policy: that it sustains the poor in Europe. Lord Plumb launches another that it sustains the poor in the

Third World.

Lord Plumb opposes the US agricultural proposals to the General Agreement on Tariffs and Trade (GATT) to end global farm supports by the year 2000 because they "would lead to a massive influx of so-called cheap food imports into developing countries." Coming from an architect of the Common Agricultural Policy (CAP), which has led to an increase of EC agricultural exports by 42 per cent in real exports by 42 per cent in real terms in the decade to 1983, this sounds contradictory.

Still more strange is his claim that an end to farm supports would "severely damage the indigenous agricultural development of the Third World." The agricultural pro-tectionism of the EC, the US and other Organisation of Eco-nomic Co-operation and Devel-opment (OECD) states lowers the amount that producers outside the industrial countries can export, and the prices that

they receive, thus damaging both their income and their incentiva to produce more. It creates a surplus in the industrial countries which is sold at low prices to developing countries. Although the full effects are complex, general analyses and product studies (most recently by Michael Dav-amort in a report to be pub-lished by the Overseas Devel-opment Institute in October) have demonstrated time and again that, on halance, the Third World would benefit from increased growth in the industrial countries if the latter ceased to distort their econ-

omies in this way.

The main danger for the Third World from the GATT agricultural negotiations is that, in an attempt to shield their own producers, the EC and the US may shift the burless able to retaliate. Third World exporters of oilseeds and cereal substitutes, such as Thailand, are well aware of the "voluntary" export restraints that this implies. Sheila Page and Christopher

Overseas Development Institute, Regent's College, Regent's Park, NW1

Progress towards digital TV

From Dr Brian Evans.
Sir, The Japanese 1125/60
HDTV (high definition television) system is but one examfavouring the maximising of shareholders' interests, which then agrees with Mr Taylor (August 1), Mr Turner and Mr Hunt (August 30). ple of progress towards digital television, in which picture quality improvement is like a compact disc sound compared with a long playing record.

Digital television can be piped through optical tele-

phone cable into the home,

thus giving the benefits of cable television to every tele-

phone household in the UK.
Digital television uses less radio spectrum, thus freeing phony.

The digital television stan-

dard needs choosing with care. It is surely a job for the state, not an offshore television man ufacturer as suggested by Mr Vere (Letters, September 16). Brian Evans, 19 Cassiobury Park Avenue, Watford, Hertfordshire.

Government has an obligation to upgrade roads into Dover

From Mr P.W. Sherred.
Sir, While you rightly indicate that the Port of Dover is preparing to defend its prosper-ity (FT Survey on Kent, September 2), no reference was made to the Government's declared intention to ensure fair and free competition between the fixed link (the Channel Tunnel) and the port. This entails providing Dover

dard no less than that provided to the Channel Tonnel. The Chamber of Commerce has drawn Government atten-tion to the need to upgrade the A2 between Lydden and Dover, so that the A2/M2 corridor

been particularly diffident about agreeing to ungrade this

of the A20 into Dover, upgrade the A2 before the Tunnel is maintains its integrity as a principal carrier of traffic for the cross-channel route. The operational Department of Transport has

small stretch of the A2. If the Government is to honour its intention to provide fair and free competition between the fixed link and the port it will, in addition to the construction Dover is not only a transit town/port hut a destination in

Uniquely, the Calais Chamber of Commerce is also sup-porting the campaign. An added advantage of dualling

both the A2 and A20 into Dover would be the creation of a complete dualled roadway from the M25 to Dover and return using both A2 and A20

its own right, and an excellent place for future investment. P.W. Sherred, Doper Chamber of Commerce,

More and more plastic is being used caused a dull mat layer. At DSM, one of no problems. And that Irritating squeak in cars these days. But plastic rubbing Europe's largest chemical companies, for that's what it was all about - simply against plastic gives the same squeaking sound that mice produce.

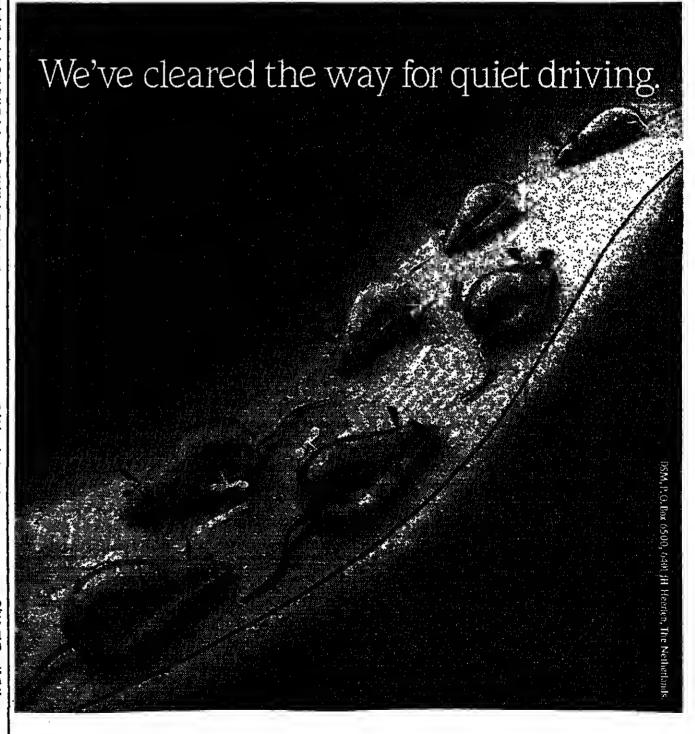
To solve this problem, silicone oil was added to the plastics. But that had an unfortunate side-effect. It meant that you couldn't achieve deep, bright colours.

we found the ideal solution. Our researchers developed a special plastic which met all the requirements.

It can be given any colour - exactly. find more peace. It is impact-resistant, retains its colour, has an extremely long life, and can stand up to heat. Welding, painting, and gluing offer If we don't have a solution, we find one.

So, although you will find more and more plastic in your car, you will now also

DSM 😥



FINANCIAL TIMES

Friday September 23 1988



China may postpone economic reforms for two years

CHINA may put important tionary climate controversial economic reform measures on hold for two years, overruling leaders such as Zhao Ziyang, the party general secretary, who are committed to change, the official report on the just-concluded Central Work Conference in Peking has indi-

The participants at the con-ference believed that the "improvement of the economic environment and rectification of the economic order means creating the necessary conditions for deepening reform" and that "this will be the focus of reform and construction in the next two years," the Xinhua news agency reported. This is another way of saying that in the present inflameasures such as price reform have heen postponed until

The Central Work Conference, a gathering of 217 party, government and military leaders from Peking and the prov-inces, met from September 15 to 21 to prepare proposals for the coming Central Committee meeting. The issues of reform, including the adjustment of wages and prices, were the subject of "extremely heated discussion," according to reliable Hong Kong press reports. Since policy differences have already been aired, the more public Central Committee meeting now due is likely to present a facade of unity, rubalready prepared.

This package was put to the meeting as a "tentative plan,".

Xinhua said, by Yao Yilin, the elderly Vice-premier, currently China's economic supremo and widely known as a conserva-

However, the meeting agreed that "deepening reform" meant not only adjusting wages and prices hut reforming other aspects of the economy, which suggests that the important reforms of industrial management and bankruptcy may etill go

All the members of the ruling five-man Polithuro Standing Committee, including Zhao Ziyang, the General Secretary,

of his commitment to reform, spoke at the conference. Xinhua said, a sign of the key nature of the meeting.

The twin issues of reform and inflation have wracked the leadership since the spring when the retail price index hegan to rise alarmingly, peaking in Angust at more than 30 per cent on the same month last year. The informal summer meetings at Beidalhe reportedly broke up in dissen-sion over whether price reform should go ahead.

Peking's more cautious leaders, headed by Premier Li Peng and Yao Yilin, appeared to triumph at the end of August when the ruling State

radical price changes till 1990, and this triumph seems to have been consolidated at the just-ended Central Work Con-

While Zhao and the bold reformers seek to control the economy by indirect levers, Li Peng and his supporters will turn to administrative fiat.
The aridity of this approach
was exemplified by a Chinese
official visiting Britain this

He explained, a propos of China's present alumininm shortage and consequent rock-eting price, that "China should have the rule of law. . . we should pass a law forbidding anyone to use aluminium win-

spikes when they were denied

a free trip.
In Guangdong province, hundreds of peasants looted coal

from a railway yard, smashed up the local police station and stole guns and explosives.

in Guizhou, nearly 200 peas

ants forcibly stopped a train outside a tunnel and stole over two tons of grain. That was only the latest of more than 40

In June, in a widely-publicised case, about 1,000 farmers

near Peking demonstrated

against a large petrochemical plant which was threatening to inundate their fields with toxic

chemicals. A few weeks earlier,

student protest at Peking uni-

versity over the murder of one of their number quickly spilled

over into protests over lack of

democracy and freedom of

fierce debate among the leader-ship. Already split over the wisdom of liberating the econ-

omy, fear of the social unrest which could erupt is aggravat-ing the differences. But post-ponement of reform, and in

particular unwillingness to

These trends are causing

cases of railway looting.

A final polish for British Steel

Share price relative to the

FT-A Alt-Share Index

As one might expect from anything designed to get past Westminster, Brussels and the City, the capital reconstruction of British Steel is a delicately veiled compromise. Much is veiled compromise. Much is made of the reduction in available tax losses from £1.9hn to £171m; hut on top of that are huge but unspecified capital allowances, which look like reducing the effective tax charge to below 25 per cent for the foreseeable future. Again, no debt is to be added to the no debt is to be added to the balance sheet; but the deficit on reserves of £642m has been written off, so that the company can immediately start paying dividends out of cur-

rent profits.

As the marketing launch for the flotation gets under way next week, further details will start emerging from the haze. The price looks like being ted to give a forecast mul adjusted to give a forecast mu-tiple of between 7 and 8, and halance sheet gearing well abort of 25 per cent — that being the level above which it is assumed the market would is assumed the market would start getting worried. Indeed, the whole deal is shaping up as a fascinating exercise in market psychology. A forecast multiple of under 8 would put British Steel on a par with ICI, which the market persists in regarding as a cyclical stock despite repeated arguments to the contrary. It is not wholly clear what kind of downturn the market is discounting for the market is discounting for industry as a whole, but if its worst fears were realised, a commodity supplier to indus-try like British Steel would presumably be too dear at any

RMC The combined influence of the gods and Mrs Thatcher have made the first half of 1988 one of the luckiest ever for the UK construction industry; and although RMC was at pains yesterday to stress the fickleness of the former in matters of weather, it is difficult to see the latter causing the company any very serious problems in the near future. But RMC's warning that temperatures can go down as well as up — and that 60 per cent first half growth in pre-tax profits does not imply the same level of growth for the whole year was enough to trim 2 per cent from the share price. From a market which is acutely susceptible to negative . noises from the construction . sector, this was hardly surpris-

the debate is really about whether earnings per share

will grow by 35 or 40 per cent this year - figures which would not be considered remotely disappointing in any other sector. And even if the government's interest rate policy is indeed about to spoil the housing sector's fun, RMC should suffer less than the rest only 10 per cent of its ready mixed concrete output goes to the UK housing industry. And with scarcely a cloud over the company's other businesses, a prospective p/e of around 8 looks a bit on the

LVMH

Dissent among the dynasties may be hard on the nerves of all concerned; but judging from yesterday's half year results from M"oet Hennessy-Louis Vuitton, it is not too bad for business. While the top management of LVMH has spent months with its eye off the ball, the line management appears to have got on with the task of selling enough booze and baggage to increase net profits by 45 per cent for the first six months. Probably the boardroom shenanigans of the past few months would eventually have

begun to hurt the operational performance of the group; but with luck, investors will not have to test this hypothesis. Yesterday's shareholders' meeting appeared to signal the cessation of hostilities between the LV and MH camps, thanks to the good offices of mediators Agache and Guinness. The bet-ting is that the new triangular shareholding structure of the company will prove more sta-ble than the see-saw arrangement in place before Messrs Tennant entered the scene; and that must be good for every-

pany's share stake in LVMH pany's share stake in LVMH has been financed by LVMH purchases of Guinness stock at well above the market price, allowing Mr Tennant to do his 1992 duty without paying 30 times earnings for the privilege. And while Mr Arnault remains, something of an unknown quantity, at least he and Guinness seem to share common ambitions for the moment. Shan

70.3

Logica

Since Logica's business has been growing at over 20 per cent a year for a long time and its margins are far better than those of most of its rivals, a prospective multiple of 16% times earnings is not undeserved. However, the combination of the problems encountered by some of the better known US software companies and the rapid rationalisation of the UK software sector raise doubts about both Logica's long-term independence and its ability to avoid the pitfalls of

On the last count, the com-pany is reasonably confident that current growth rates and profitability, can be main-tained. It is very different from the US software companies, like Lotus and MSA, whose fortunes have sometimes rested too heavily on one or two bestselling products. Logica is more like a management consultant, and the spread of its business and the increasing custom of hardware companies like MM mean that its county like IBM mean that its growth cannot be terrainated by the failure of a single product. Whether it will be permitted to achieve its ambition of develcoping into one of the world's major software houses is less clear. Plessey is not the only UK company to sense that computer software is becoming even more important than hardware manufacture.

Belgian shares

If the London stock market If the London stock market is currently dominated by takeover speculation, this is nothing by comparison with what is happening in Brussels.
Europe's ninth biggest market has been driven to all time peaks this year, largely on the basis of takeover running. basis of takeover rumours. As London could yet discover, this can work both ways, yesterday Tractebel, which is valued at over \$1.7bn and in terms of the local market is as important as Glazo is to London, fell by 22 per cent. All it took was for the be feeling pleased that it was two biggest shareholders to called in as power-broker along with Agache. The UK com-

Leaders swing back to official control

Colina MacDougall reports that fears of inflation and riot are stunting liberalisation with hammers, iron bars and

highest for 40 years, the have-nots – still hy far the majority – are frightened and resentful and the old restraints which kept them from explod-ing are wearing thin. Alarmed by the dangers of riot and mayhem, the leaders are turning from the bold liberalising policies of Zhao Ziyang, the party general secretary, back to the anchor of official control. Leaders have even had to

deoy comparisons, now being widely made, between today's shortages and the "three bad years" of 1959-61, when 16m died as a result of mismanagement and harvest failure. The price of food is rising fast and Peking has already admitted that the harvests of this year and next are likely to be below expected levels. Alarm has been triggered by

nationwide reports of hank runs and panic buying. Deposits withdrawn during August in the leading cities of Peking, Shanghai and Tianjin ran into hundreds of millions of yuan within a couple of weeks. Prices rocketed as people rushed to invest their money in televisions or blankets. Shelves were swept clean of

British Prime Minister, is due

to meet President Robert

Mngabe of Zimhahwe next week amid growing specula-tion that President P. W. Botha

of South Africa plans to meet

one or more black southern

African leaders.

MRS Margaret Thatcher, the half of next year.

HINESE leaders are washing machines, even worried inflation is the enamel bowls and spittoons - anything which could retain value as money dropped. One old man bought seven refrigerators and 150kg of salt. Shop assistants, eager to push up their own bonuses, fuelled

"Hurry, hurry," they shouted in Shenyang. "Come on, huy quickly, prices are going up." in Wuhan a run on salt was started when a customer bought medicinal salt, inadvertently launching rumours that this was the only kind around. Overnight the salt price jumped four or five times. One store which usually sold five or six washing machines a day found to its glee that it was selling more than 100.

The demoralising effects of inflation have been aggravated

hy the unscrupulous exploita-tion of privilege. Between 60 and 70 per cent of a restaurant's earnings now come from dinners paid for by company funds, the Xinhua news agency reported in August. All over the country officials have been using public funds to build themselves luxurions leisure facilities.

They are lining their own pockets with millions made from using their positions and

The meeting in London will

State-controlled Sonth Afri-

can radio; which usually

take place against a back-ground of intense diplomatic

activity in southern Africa.

the "two-track" price system to constitution — have been wide-buy raw materials at the gov-spread this year. ernment-fixed price and resell at the free-market price. One consignment of caustic soda was sold six times over to enterprises buying purely for speculative reasons. When it finally reached the end-user, a paper mill, the price had gone up 2.5 times.

In this unsettled atmosphere, crime and violence are on the increase. Qiao Shi, a shadowy figure to the West hut one of China's key five-man ruling politbureau standing commit-tee, said revealingly during the summer that the reform was at a crucial juncture and that the leadership should act "in the spirit of meeting any storm head on."

The situation is grim and prohlems are numerous," he said, pointing to the rise in "ugly social phenomena." Local officials should improve security work, enforce the law and "be fully prepared to han-dle all sudden and unexpected cases to ensure stable social

neighbours, it said.

Qiao Shi's speech followed a conference on security which included among China's major problems "unrest and riots." Unofficial reports say that strikes – illegel under China's

Mr Mugabe is passing through London on his way back from the UN General

Assembly in New York, He has

taken the opportunity to see Mrs Thatcher on past stop-

overs but the meeting takes on

The leadership has always been concerned about whether the economic reform would lead to popular discontent. Peking played on greed to arouse entrepreneurial spirit, and expectations have risen as Chinese people saw for them-selves from the influx of tour-

ists and Western television programmes how comfortably foreigners live. Discipline and respect for authority, once customary, have largely evapo-The level of violence in China, overt during the terri-ble years of the Cultural Revolution but suppressed since.

has risen much nearer the surface, A football riot involving more than 1,000 fans occurred in Sichuan province last May when the home side was beaten. More than 130 people were injured, including 60 A few weeks ago in Hunan province, after a fight in which a man was stabbed to death,

peasants from his home village marched on local party leaders, assaulted policemen and smashed everything they saw. Recently railway maintenance workers attacked train passengers and conductors

Congolese capital of Brazza-

ville on Monday, and there are

tentative plans for President Botha to hold talks with Presi-

dent Kenneth Kaunda of Zam-

bia. The South African leader also met President Joaquim

Chissano of Mozambique ear-

lier this month.

curh official self-indulgence, could be still more disastrous. **IMF** warns on rise of dollar

Continued from Page 1 week. But in the face of major

demonstrations against the Fund threatened by various coalitions of left-wing groups in West Berlin, he made it clear that he was not prepared for the Fund to be regarded as a "scapegoat" for the problems of developing countries.

The conditions imposed by the Fund on loans to heavilyindebted nations were essential to promote the economic adjustment needed in those countries.

Soviets move on Armenia protest

Continued from Page 1 was despatched from Moscow

to govern the region.

Mr Perfilyev said the latest disturbances had broken out after the Soviet authorities began a big investment programme to improve roads and public transport, and provide better Armenian cultural facili-

No curiew was imposed yes-terday in Yerevan, but local officials said 100,000 people had gathered in the central Opera

In spite of the huge numbers involved — confirmed by all who have seen the demonstrations — they have hitherto heen remarkably well discineen remarkably well disci-plined. However, the situation appears to have passed out of the control of the local Com-munist Party leadership – which condemned the strikes and warned of "the great dan-ger facing our people" if they did not cease.

From those wonderful people who gave you hamburgers, Hollywood and rock'n roll: financial, instability, inflation and world recession?

Read the special World Economy Survey in this week's issue of The Economist.

There's a whole lot of shaking going on.

Economist

reflects government thinking, said yesterday that a summit meeting with leaders of the a special significance given the range of negotiations under The Prime Minister's talks with Mr Mugabe are expected The London meeting gives black-ruled southern African way in southern Africa. to review the gathering pace of diplomatic developments in states was a "distinct possibil-ity." The climate existed for Mr Javier Perez de Cuellar, the UN Secretary-General, is in Mrs Thatcher the chance to brief Mr Mugabe on the out-come of the 10-day visit to five South Africa to meet at the highest level with Zaire, Angola, Zamhia and other southern Africa, and discuss South Africa, the US-sponsored African states by Sir Geoffrey Howe, UK Foreign Secretary. the possibility of a visit to Zimbabwe by Mrs Thatcher in first peace talks on south-western Africa are due to resume in the

Thatcher to meet Zimbabwe president

France might consider cuts in N-forces

Continued from Page 1

in progress, he said, and had also taken place between President François Mitterrand and Chancellor Heimut Kohl of West Germany.
Yet paradoxically the condi-

tional offer under consider-ation in Paris could take the French arms control position closer to that of its allies. Nato is still working on the develop-ment of a comprehensive concept of arms control.

A year ago the Nato alliance suggested that it might be pre-

pared to negotiate a cut in sbort-range nuclear wespons in Europe, hut only after the successful conclusion of a conven elimination of all chemcial

The main difference is that France might offer reductions in theatre nuclear weapons during the conventional stabil-ity talks; Nato only after their Sharp rise in trade deficit puts

Sharp increase in French trade deficit puts pressure on franc

FRENCH financial markets were yesterday stunned after the Government reported a seasonally adjusted visible trade deficit of FFr9hn for August. The markets had been expecting an August trade deficit of around FFr1.2bn.

Trading in government bonds stopped momentarily after the figures were released and the franc came under sell-ing pressure in foreign exchange markets. The mar-kets had been in a confident mood following this week's budget which forecast a narrowing in the trade deficit and inflation down to 2.2 per cent

The franc, which had been trading stahly around FFr3.39 to the D-Mark, weakened to FFr3.404/DM prompting speculation that the authorities may have to defend the currency by raising interest rates or by seeking a realignment of exchange rate parities in the European Monetary System.

The latest monthly deficit hrings the total visible trade deficit for the first eight months of this year to

months of this year to FFr23.2bn, and casts a large measure of doubt over the pre-diction made by the French Finance Ministry earlier this week in the 1989 hudget state-ment that the deficit for the year as a whole would be FFr26.5bn.

French Government. Indeed, the new Socialist administrationregards the trade deficit and unemployment as the two weak points in an otherwise improved French economic sit-

Mr Pierre Beregovoy, French Finance Minister, voiced the Government's anxieties on the trade front during the presentation of the budget this week. He said, however, that the deficit would fall to FF122.4m this year and FFr31.3bn last year. Analysts now believe it will be virtually impossible for the Government to achieve its budget prediction.

The French authorities are particularly concerned by the deterioration in the country's industrial trade balance and the unsatisfactory interna-tional competitivenees of

after a deficit of FFr4.7bn last The August visible trade fig-ures showed an increase in imports to FFr90.7bn from

French industrial goods and The worsening of the French visible trade balance is now industry in general. The industrial goods deficit increasingly worrying the including military equipment widened last month to FFr8bn

FFr85.8bn last July, while exports were virtually flat at FFr81.7bn last month compared to FFr 81.8bn the month before.

French left faces electoral test,

Continued from Page 1

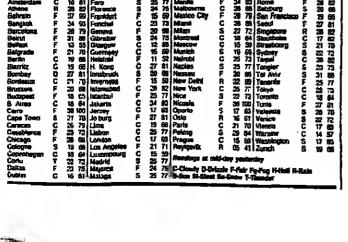
least 25,000 troops in the country, has nominated a Christian deputy, Mr Michel Daher, for the presidency, with the apparent hlessing of the US. But his candidacy has been rejected by the hard-line Leb-anese Forces militia on the grounds that he would be unable to resist Syrian pres-eure and had already agreed to unacceptable political conces-

Last night, Mr Gemayel was reported to be preparing to announce the formation of a transitional government to

which he could transfer his powers. This plan has already been angrily denounced hy Syria's mainly Moslem Leban-ese allies as the first step towards formal partition of

ting up their own rival govern-

In Damascus, the government-controlled press declared yesterday that Syria "would quently accuses of taking its



WORLD WEATHER

Spectre raised of civil war in Beirut

The interim cabinet was expected to be headed by a Maronite Christian prime minister, Mr Pierre Helou, a businessman and member of parliament. Moslem leaders, encouraged by Syria, were expected to refuse to partici-pate and may respond by set-

convention, the Lebanese pres-ident is a Christian, while the premiership is held by a Sunni

not allow the stooges of Israel" to wreck the achievement of maintaining Lebanon intact. This was a clear reference to the Lebanese Forces leadership, which Syria fre-



FINANCIAL TIMES PANIES & MARKETS

Friday September 23 1988

Hull City Council

INSIDE

A phoenix rises in Utah



More North American mines are coming back from the grave. One prime example of this Lazarus-like phenomenon is the Bingham Canyon copper mine in Utah which needed a \$375m modernisation scheme,

huge pay cuts before life could be breathed back into the old workings. Kenneth Gooding examines the latest phoenix in the US mining

Waitzing through Vienna

A change in attitudes by the normally conservative Austrian public has combined with a epurt of new foreign huying to give the Vienna bourse a much-needed lift. The fundamental difference between this and earlier market advances is the new long-term commitment by many investors. Judy Dempsay looks at the quickening pace of the Austrian stock market.

Tables turn on Japanese banks

The tables have been turned on Japan's bankers. Once wined and dined by Industrialists eager for financial backing, the banks must now chase for every bit of business. A huge surge in corporate profitability - and the subse-quent repaying of bank loans - has underpin-ned this dramatic shift in power. Stefan Wagstyl in Tokyo looks at this far-reaching change in the Japanese banking community.

Sunny side up for RMC



THE STATE OF THE S

19 E

PRACTICE.

5 10 12

30 Shates

2 7 27

11.000

... 12 (20)

1111111

akan ku Samata

THE SE

 $t \to \sqrt{N}$

inand

on and

J. 41

More favourable weather conditions in Northern Europe helped RMC, the large maker of ready-mixed concrete, boost pre-tax profits 60 per cent to £86.2m (\$143m) in the first half, The thriving UK construction sector under-

overall improvement. In Spain and France, recent expansion programmes began to bear fruit although the group's US activities produced a lower contribution. Page 25

Profits slump at Filofax

The Filofax, a personal organiser, has become ranked with the names Porsche and Yuppie as symbols of materialistic youth in Mrs Thatcher's Britein. But yesterday the eponymous Filotax company reported a slump in interim. pre-tax profits. The end of tad? Not at all, insists the company. Page 25

Walker swoops on Local London

Brent Walker, the British leisure group by former boxer George Walker, has announced a steady stream of acquisitions and day it moved back into action again, with a tea-time market raid that took to around 14.9 per cent its stake in property group Local London Page 25

Market Statistics

European options each FT-A indices FT-A world indices FT int bond service Financial futures Foreign exchanges

Local London

London share service London traded options London tradit options Money markets World commodity prices World stock mikt indices 29 40 41

Companies in this section

Anglo American Antologasia Hidge BAe Baltica Baltica Holding Bank of Delaware Boddington Brent Walker Bridon Case Pociain Cons. Gold Fields Eastern Air Lines FKB Group Filotex Food industries

Hampden Homecare Herring Son & Daw Hoogovens Johnson Matthey Laidiew Thomson Logica Mandarin Oriental Micro Focus Group Minorco Minorco Morrison (Wm) 24 Multitione
28 Newmoni Mining
25 Octopus Pub
26 Oliver (George)
27 PK Banken
25 Prestwich Holdings RMC. Robert McAlpine. Rockware Group Rover Group Seint-Gobein Savings & Loans Sindali (William) 27 Spring Ram 24 Systems Reliability 21 T&S Stores

AUTURI	(Deep						
3 9	372.9	٠.	6.1	SCC-Berr	447		-16
uste uster	287.5	Ξ	4.5	Palls.		Τ.	17
er Hypa.	305	-	5	Corne	308	_	18
COURSE CO	266	-	3.4	Gendes Estat	1420	-	60
M ACMIC ()				Matre	188	-	84
- Table	395		37	LOKAO (.		. • '
1000	9%		.1	Nines '		<u>.</u>	
Corp.	16	+	3	Dynic	1330	.+	
Hoist -	- 972	_	12,	Descende		*	66
	55	_	7	Brik of Kyolo	1880	+	138

Chomson CSF 196 + 9 Kos Fire Mine 1080 -- 20 382 - 11 68 - 7 113 - 6 200 - 5 369 - 7

LVMH lifts profits by 44% despite shake-up

MOET HENNESSY-Louis Vuitton (LVMH), the leading French champagne, cognac and luxury champagne, cognac and luxury goods group, yesterday reported a 44.5 per cent increase in first half net profits to FFr634m (399.5m) – despite the internal wrangling and shake-up in the shareholding structure it has gone through in recent months. Mr Alain Chevalier, the chairman, amnounced the impressive first-half performance at a long-awaited special shareholders' meeting called to approve a change in the company's legal structure. The change was to accommodate the arrival of two major new shareholders, Mr Bernard Arnault, the French finan-cier, and Guinness, the British

drinks group.
Mr Chevalier, who is expected Mr Chevalier, who is expected to be confirmed next week as the chairman of LVMH's new executive board, emphasised that the group's decentralised structure had enabled it to continue to perform strongly despite the turmoll of the last few months.

The meeting yesterday drew to a close a stormy chapter in the history of LVMH, formed last

year through a merger of Moet-Hennessy and Louis Vuitton but subsequently troubled by a rift between the Moet-Hennessy camp, led by Mr Chevalier, and the Louis-Vuitton clan, led by Mr Henry Racamier. During the dis-pute Guinness and Mr Arnault were brought in as large new shareholders and countervailing

Mr Chevalier said that the Mr Chevalier said that the group expected to report an increase in net profits for the full year of more than 30 per cent, compared to last year's net earnings of FFri.3hn.

In the first half, group operat-

in the first half, group operating earnings increased by 46.7 per cent. Earnings in the group's cognac and spirits operations rose by 75.5 per cent as a result of both strong demand and the joint distribution venture between LVMH and Guinness in this field. The group's Louis Vuitton luggers better groups and accesson

The group's Louis Vintron lug-gage, leather goods and accesso-ries business also reported strong profit growth of 68.6 per cent in the first helf, while the perfume business saw its profits rise by 22 per cent in the first six months. Mr Chevaller said that profits

in the champagne business had been 12 per cent lower in the first half hnt were expected to improve during the second half. The drop in champagne profits had been widely expected since they reflect the rise in champagne grape prices in 1984 and 1985.

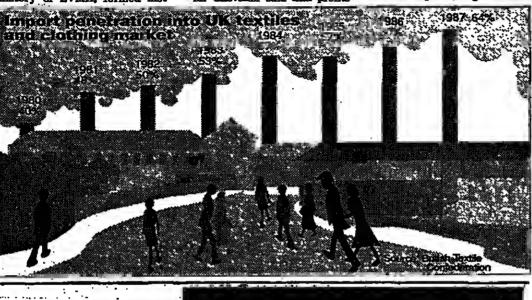
He reported that in the first eight months of this year the group recorded a 28 per cent increase in consolidated sales to FFP.Shn, compared to the same

period of the previous year.

The new structure approved yesterday sets up a management board and a separate supervisor board. The supervisory board, which was elected at the meet-ing is to meet on Monday to elect its president and the members of the group's new executive

The chairman of the executive board will be Mr Chevalier and will include Mr Racamier, Mr Arnault and Mr Anthony Tennant, the chief executive of Guinness, among its six mem-

Lex, Page 18; LVMH factions



Coats Viyella is put through the mill

he story of Mr David Alliance is an archetypal rags-to-riches tala. It begins in the Britain of the early 1960s when he arrived "with no money and no English" from Iran. He made money, learnt the language and created Coats Viyella, now the biggest textile

Viyella, now the biggest textue group in Europe.

Earlier this week the story turned slightly sour when Coats announced a fall in pre-tax profits from falm to 176m, on static sales of £982m (\$1.5bm), for the first half of 1988. Coats shares, which have performed poorly since the market crash last October, collapsed.

The announcement marked a

The aunouncement marked a watershed in its fortunes. Hitherto one of the most optimistic of British textile groups, Coats is now rationalising home produc-tion, in favour of sourcing over-sess, like the US and West Ger-

man textile giants.

When Coats Viyella was created – by the merger of Coats
Patons with Vantona Viyella in
1986 – its prospects were rosy. Vantona sold everything from tea towels to trousers, but only in one country, Britain. Coats Patons operated all over the world, but sold only handknitting yarn and sewing thread. The objective was to sell Vantona's products through the Coats Patons' network.

Initially the merger went well. There were remarkably few areas of conflict between the two companies. And Coats Patons had just completed a programme of cuts and closures that so often our relations after takeovers.

Moreover, the British textile

industry was prospering. Con-sumer spending was buoyant. Sterling had settled at a competitive level. Coats thrived with the rest of the industry.

It soon became clear that the grand international plan would take rather longer than expected. And there was some disquiet at

its adventurous accountancy tactics. Yet Coats always managed to meet the City's expectations. Then in autumn last year British textiles plunged into a more competitive climate when the pound rose on the foreign exchange markets. Imports have



A tale of regs to riches: Mr David Alliance

since accelerated and exports have become more sluggish. Coats has remained competi-Coats has remained compen-tive in some sectors like shirts and home textiles, but has suf-fered in others. The strong pound has depressed overseas earnings. And Coats is a major player in knitwear and handknitting, currently the most competitive areas of textiles

The most difficult area is knitwear, where Coats fell into a loss in the first half. The knitwear workforce has already been reduced by 600 people and more job losses are inevitable.

Alice Rawsthorn examines the declining fortunes of Europe's leading

textiles group

The group is also considering shipping knitting machinery out to Turkey, where labour costs are lower. Similarly it may use Turkey as a base to spin acrylic yarn

There have also been savage cuts in bandknitting. The world market – which Coats dominates slipped into decline over two years ago. The Coats business is at a low level of profitability and the company began to rationalise in the UK and West Germany earlier this year. It has since shed labour in Australia and withdrawn from production in

West Germany.

In knitwear and handknitting Coats at least has the cold comfort of suffering with the rest of the industry. But it is also struggling in carpets, at a time of buoyant sales when some compa-mes:— like Tomkinsons in the UK and Beaulieu of Belgium -

have prospered. Coats encountered short-term problems in the first half when its new sales centre came on stream. It also faces the longer term problem of surplus capacity, despite having already rational-ised four tufted carpet plants to

The outlook for carpets, after the recent rise in UK interest rates, is far from buoyant. Coats is considering its course of action. The most extreme solution would be to close its factory in Yorkshire, to concentrate tufted production at the Northern ireland plant, now being modernised in a £13m scheme subsidised

by Government grants. Similarly Coats has suffered in clothing when its competitors - like Courtaulds and William Baird - have heen relatively resilient. Its most difficult area is in children's wear, where it is streamlining its activities. Clothing is one of the chief

candidates for overseas sourcing. Costs expanded its sourcing in Hong Kong earlier this year hy buying a sizeable export house and it is keen to establish similar operations in other countries.

The group gleaned 10 per cent of its UK sales from overseas sourcing in the first half. Henceforth its contribution should rise

by about 20 per cent a year. In many ways the present eco nomic problems have precipi-tated the need for large companies like Coats to reduce their reliance on British production. Imports seem certain to rise. The fall in the number of school leavers will put pressure on labour costs. The investment required to remain competitive in textiles is certain to increase, given that the scope for easy productivity gains has been exhausted.

Overseas sourcing is an obvious solution: but scarcely a panacea. There are problems with quality control, currencies and

The cost of restructuring the group will be great. Coats seent 24m in the first half and analysts estimate the eventual cost at as much as £20m.

The company has also paid a high price in lost credibility. Mr Alliance has played an important part in squashing the stock market's doubts about textiles as a cyclical industry prey to economic events beyond its control. Those doubts have now returned with a vengeance.

BP shelves plans for flotation of gold offshoot

By Kenneth Gooding, Mining Correspondent

BRITISH Petroleum yesterday shelved the flotation of its gold producing subsidiary because of the steep fall in the price of the precious metal in the past two weeks.

The group hoped to raise at least \$180m by floating 15 per cent of BP Gold on the New York Stock Exchange, and the price of the chares was to have been fixed yesterday. However, the price of gold has

fallen nearly \$30 a troy ounce since BP announced its proposals and started a series of "roadshow" presentations to the investment institutions in the US

and Europe.
Gold bullion dipped to \$392 an ounce in London shortly after midday yesterday, its lowest level for 19 months.

The downward trend was again stimulated by forward selling by gold producers wanting to lock in profits on future produc-

Traders said that at one stage this reached panic proportions. The metal recovered slightly later, to end the day at \$397.25 an ounce, \$3.75 below the previ-

ons close.

BP twice before postponed the lamich of BP Gold: the first time immediately after the October 19 stock markets crash last year and then again three months later, because the gold price weakened.

The group has never before been as far down the line, how-ever, as in its latest attempt to get its gold business floated.

A "red herring" prospectus was issued and the terms indicated that 11.25m BP Gold shares would be sold at between \$15 and \$18 each, valuing the whole company at about \$15m.
The indications are that, although BP Gold found favour with the institutions, many of the potential investors thought

the suggested price of \$17 a share was already too high. BP has not withdrawn its registration statement from the New York Exchange but neither has it Apparently it is reserving the right to return with the offer if-

However, some analysts suggest that BP's credibility has been badly damaged because the issue has been postponed so often and that, because the group is in no desperate need for the cash, BP Gold might never

get its quotation.

BP made it clear that the move was not part of its current asset disposal programme to reduce debt but was a typical minerals action to spread some of the risks that mining involves.

Government ban on Gold Fields takeover urged

By Charles Hodgson, Clive Wolman and Clay Harris in London

The Government was yesterday urged by the Labour Party to block the £2.9bn (\$4.8bn) hostile takeover hid by Minorco, the Luxembourg-based investment vehicle of the Oppenheimer South African mining empire, for Consolidated Gold Fields, the UK mining and aggregates group.

Mr Bryan Gould, Labour's

Mr Bryan Gould. Labour's Trade and Industry spokesman, called on Lord Young, Trade and Industry Secretary, to exercise his powers under the 1975 Industry Act to block the hid on the grounds of public interest.

In a letter to Lord Young, Mr Gould said that while the hid did not appear to raise obvious issues

not appear to raise obvious issues of competition policy, there were

"clear implications for the national interest which ought not to be ignored."

In the stock market, Gold Fields shares dropped 55p to 1435p, only 11.5p above the value of Minorco's cash-and-shares of Minorco's casb-and-sbares

On one hand, this reflected fears that the hid would be blocked and that a higher counter-bidder was unlikely to emerge. On the other, Minorco's advis-

ers said it indicated the market's

view that the bid was full and Mr Gould urged a resolute response from the Government and City authorities to suspicions of insider dealing in Gold Fields

shares before the bid was launched on Wednesday.

He welcomed the Stock Exchange inquiry but said that if insider dealing had taken place, the Director of Public Prosecu-

tions should be called in. Under Part 2 of the Industry Act, the Secretary of State is empowered to block change of control of a major manufacturing company which is regarded as

affecting the national interest. It has never been invoked. Labour believes that the national interest implications of the bid are "very serious." If suc-cessful, Mr Gould said, the take-over would double the total of South African investment in the European Community, of which the UK component is by far the

most significant.
If successful, Labour says, tho bid could provide a precedent by which South African interests could evade UN sanctions on arms and oil, to which the UK subscribes, and open the way for British high-technology goods to become available to the South African economy through direct investment in UK companies.

Inspectors appointed by the DTI have been investigating a set of share purchases in Gold Fields since December 1986 and only completed their investigations a

few weeks ago.

Their report has yet to be submitted. Originally the inspectors suggested that their work would be completed within no more than a few months.

The inspectors were called in at the request of Gold Fields to investigate the way in which American Barrick Resources, a mining company, huilt up a 5 per cent stake. Barrick still has a stake of about 1.7 per cent.
See Page 26

Joint statement hits shares in Tractebel

By Tim Dickson in Brussels

SOCIETE Generale de Belgique and Groupe Bruxelles Lambert, Belgium's two leading bolding companies, moved yesterday to dampen speculation that they have fallen out over Tractebel, the country's leading energy and telecommunications concern elecommunications concern where between them they hold a majority shareholding stake.

Trading in Tractebel shares has been the main feature on the Belgian stock market this week with suggestions that GBL (or with snggestions that GBL (or others on its behalf) has been buying, accounting for a BFr400 surge in its sbare price to BFr9,900 (\$253) on Wednesday on turnover of roughly BFr2.5bn. Yesterday, however, the shares went into freefall at the opening and ended the day more than 20

A joint statement from Societe Generale, GBL and Solina, another smaller Belgian bolding company, was widely considered responsible. It stated simply that "taking account of the unfounded rumours which are being made every day" the three companies "who together bold the majority of the capital of Tractebel, con-

firm their wish not to see this majority affected." None of the parties was pre-pared to elaborate publicly

At the last count it thought in the market that GBL held more than 20 per cent of Tractebel (half of which was the result of a complex share swap in March) while La Generale and its allies is thought to speak for

HOUSE PRICES SLASHED

by up to 40% when you invest in BES

BES? What is it?

It stands for the Business Expansion Scheme. This allows you to invest in shares in an unquoted company and to obtain not relief on the whole of your investment. This gives you a discount on your investment of 25 %-40%. You have to hold the shares for five years or lose your relief but, when you sell after five years, there is no Capital Gains Tax on

lan't it a risky investment? All investment carries risk. However, since the last Budget, you can now invest in companies which own and let residential property. You can decide whether the expression "safe as houses"

What's the catch?

None really. The Government want to encourage an increase in rented accommodation. A residential housing company, to qualify for BES must let its properties under "assured tenancies" This means at a commercial open market rent – freely negotiated without reference to the Rent Act. The tenant has security of tenant but only at this market rent, which can increase year by year.

Where are the properties?

Anywhere you like. We realise people have strong views on property. Some favour the North, some Wales and some London. Through The First

Johnson Fry Residential Property BES Scheme we offer you 7 Regions. Choose whichever you like, we have a company investing in each. What about the rental income? If you want income - ask for it. We offer one

company which will pay out the majority of its income as dividends. These dividends are impossible to project precisely and will depend upon a number of factors. Why should I invest pow?

here are two reasons:

If you invest before October 27th you can carry back half (max. £5,000) of your investment into the last cax year, when tax rates were

We believe several hundred million pounds will be invested in this type of company during this tax year. The impact on prices, particularly outside the South East, of this weight of money may be substantial.

Why should I knowst through Johnson Fry? We have raised £130 million for BES

estment in over 50 companies in the last four pears, making us easily the largest BES sponsor. We have got to this position because people trust our indgement, particularly in picking good assets and management. Two of our early BES property companies have recently been floated on The Stock Exchange with their combined capitalisation being in excess of £65 million—so we know something

How do I get my money out?

The simplest way is for all of the properties to be sold after five years (some will be vacant, some not) and for the cash to be distributed to the areholders. Other exit routes such as a Stock Exchange quotation are also possible.

How do I find out more?

We expect a lot of Investors will be interested in this idea who have not invested in BES before. Ask for our "BES and Assured Tenancies" pack and this should help you. We will also send you The First Johnson Fry Residential Property BES Scheme memorandum which will give you all the details and an Application Form.

SIMPLY FILL IN AND RETURN THE COUPON BELOW OR CALL

US (IN (01) 439 0824 (24 hours). Please send one: "The SES and Assured Tennacies" pack. The First Johnson Fry Residential Property SES memorandes	00
Address	<u> </u>
Tel. No. (Bess.) (Home)	F10123
IOI DICONITE	37



INTERNATIONAL COMPANIES AND FINANCE

Thrifts bailout 'to be largest in US history'

total cost of thrift rescues exceeded \$50bn, or if the prob-lem was allowed to grow and

fester much longer.

Mr Proxmire also laid down regulatory conditions for a successful thrift bailout. He said

keep the institutions alive.
The board should end its capital forebearance policy,

which has allowed thrifts to

he said.
Mr Proxmire also insisted

that federal deposit insurance should be ended for thrifts

choosing to operate under state charters which impose more

lax regulation than on federal-

Mr Proxmire's speech came one day after the US Treasury,

which has hitberto played

down the significance of the thrift crisis, said it would con-

duct a new study of the likely costs of rescuing the 500 insti-tutions already insolvent.

Treasury officials said the study would be designed to clear the growing confusion between different estimates of

the cost of resolving the thrift problem. These estimates vary between \$45bn and \$100bn.

tonnes, is due on stream late in 1990 and will bring total capital

spending at Laterriere to \$488m. The first and second phases are due to start up late

in 1989 and early 1990.

ly-chartered thrifts.

By Anatole Kaletsky in New York

THE NEXT US Congress would have to appropriate at least \$20hn of government money to underwrite a rescue of the country's collapsing savings and loan institutions, Mr Wil-liam Proxmire, the outgoing chairman of the Senate Bank-ing Committee, said yesterday in an abrasive denunciation of the thrift industry's misman-agement and lax regulation.

agement and lax regulation.

Predicting that the "the bailout to come will be the largest
ever in the history of the US,"

Mr Proxmire noted that the
cost to taxpayers of clearing up
the chaos in the \$1,000bn thrift
industry would be "far bigger
than the combined cost of
assistance given to Chrysler,
Lockheed and New York City."

Mr Proxmire's speech

Mr Proxmire's speech attracted wide attention as the most anthoritative indication to date of the kind of fiscal and regulatory actions which seem certain to be required if a key part of tha US financial system is to be saved from collapse.

In addition to predicting that \$20bn of government money would have to be spent on the thrifts, Mr Proxmire said a fur-ther \$30bn would have to come from healthy institutions in the industry.

He suggested that this was

the maximum contribution which could be extracted from the healthy portion of the

His implication was that the Government might have to spend more than \$20bn if the

By Robert Gibbens in Montreal

ALCAN Aluminium is again speeding up construction of its Laterriere smelter at Jon-

quiere, north of Quebec City. The decision was influenced by the continued strength of the

world aluminium market. Work is starting immediately

on the third phase, which will

cost \$214m, 14 months earlier

than Alcan had planned. The first and second phases are

The third phase, to increase

already well advanced.

Alcan Aluminium speeds

construction of smelter

Two Hunt brothers file for bankruptcy

By Janet Bush

TWO OF the three Hunt brothers found guilty by a Federal jury in Manhattan last month of manipulating the silver market in 1979 and 1980 have filed for personal bank-raptcy in a Dallas court. Mr Nelson Bunker Hunt and

the Federal Home Loan Bank Board should repay depositors in the most insolvent thrifts directly and liquidate their assets, instead of trying to Mr Neison Bunker Hunt and
Mr William Herbert Hunt
acknowledged that their primary motivation in filing the
petitions under Chapter 11 of
the federal bankruptcy code
was to defend themselves
against claims for damages relating to several lawsuits.

Last month, tha two Hunts,

cootinue operating even after their capital was exhausted.
All thrifts would be given a
maximum of three years to
raise capital ratios to 6 per
cent or get out of the business, along with brother Mr Lamar Hunt and a number of co-de-fendants, were ordered by the Manhattan court to pay more

Manhattan court to pay more than \$130m in damages to Minpeco, the marketing arm of Peru's state mining industry.

The immediate aim of the bankruptcy filings, made late on Wednesday, is to avoid posting a \$225m bond during an appeal against that judgment. The Hunts also face two class action suits, claiming \$500m in damages, on helaif \$500m in damages, on behalf of about 17,000 investors iden-

of about 17,000 investors identified as being active during the period when the Hunts manipulated the market.

Mr Mark Cymrot, lead trial counsel for Minpeco, said yesterday the Hunt brothers would be able to delay paying damages to Minpeco, but they could not avoid it indefinitely as damages were not dischargeable after a fraud or anti-trust judgment, even after anti-trust judgment, even after a filing for bankruptcy. Mr Herbert Dentsch of

Deutsch & Frey, the Naw York law firm which will prosecute the class action suits, said yes-terday: "If the Hunts think they can halt these cases, they are dead wrong. They hava been jerking around with this case for six years but today, tomorrow, next week, the money is going to be on the table and it is going to be their money." money.

The class action suits are

A fourth phase of the project will bring capacity to 200,000 tonnes and take spending to based on evidence collected in a joint investigation with Min-peco. Mr Deutsch said it was \$600m. A decision on the final unnecessary to try the Hunts again after the Minpeco award of damages and that his firm phase is due shortly.

Laterriere will also have an 80,000-tonne casting centre for had moved for judgment against the Hunts based on last month's court decision. sheet ingot, scheduled to start annual capacity to 50,000 up next summer.

LVMH factions make their peace

Paul Betts on an armistice at the French luxury products group

s shareholders, bankers A and the company s was brass milled past television cameras and press photographers in the corridors of the Intercontinental Hotel in Paris yesterday, one official of the Moet Hennessy-Louis Vuitton group said with a slightly nervous titter: "This is likely to be the biggest non-event of the

A veteran of the Paris business scene remarked with obvi-ous amusement just before the special LVMH shareholders meeting: "Tha LVMH soap opera seems to be over, but this hasn't stopped press and public expectations of new fireworks and other coups de

But even though nothing unexpected happened at yester-day's meeting, called to approve a profound change in legal and shareholding structures at France's leading champagne, cognac and luxury prod-ucts group, the occasion had long been regarded as special.

It represented the climax of the sudden crisis which had shaken, during the past months, France's most glittering corporata marriage — between the Moët-Hennessy champagne and cognac group and the Louis Vuitton baggage

and luxury products concern. The meeting appeared to reinforce the armistice between the two camps and consecrated the entry of Mr Bernard Arnault, the youthful chairman of Financière Agache, as the group's new leading shareholder, in part-nership with Guinness, the international drinks group. Mr Arnault will now sit with Mr Anthony Tennant, the chief executive of Guinness, on

LVMH's new executive board, alongside Mr Alain Chevalier, chairman, and Mr Henry Raca-mier, the head of the Vuitton Mr Chevalier made a point of stressing that LVMH bad become with 12 per cent, the single largest shareholder in

And with 32.4 per cent of the shares - increasing to 37 per cent on full dilution - Mr Arnault and Guinness have become the leading sharehold-

ers of LVMH.

Their stake is held by Jacques Rober, the company 60 per cent controlled by Mr Arnault and 40 per cent owned by Guinness, which has been the vehicle of Mr Arnault's spectacular entry into LVMH. Mr Arnault looked pleased

with the other main protegonists of the LVMH saga. When a shareholder asked what his intentions were, he voiced his support for Mr Chevaliar and LVMH's current

He was speaking just after Mr Chevalier had disclosed the group's impressive first-half performance, with a 44.5 per cent rise in consolidated net earnings and a 28 per cent increase in sales during the first eight months of this year. d3 Mr Chevalier, clearly wearled by the agitation of the last

the success of the group's strategy in spite of the turnoil and bourse speculation which has surrounded LVMH this And Mr Racamier, the vet-eran head of Louis Vuitton who had earlier this year

few months, also emphasised

openly criticised some of the strategic directions the group was taking, also claimed at tha meeting that a real consensus had been reached between the

Mr Tennant, too, seemed pleased, sipping his glass of champagne after the meeting. He explained that the association between Guinness and Mr Arnault made sense to both

he will offer binding arbitra-

tion. If either party rejects

that, he will call a 30-day cooling off period after which the union would be free to strike and the airline to impose a new

Neither side would say last

night whether it would accept arbitration. The union said

Eastern was trying to trigger a strike so it could lock out the union while Eastern said it still wanted a negotiated settle-

contract.

Mr Arnault, he suggested, would clearly benefit from the wide international reputation of Guinness, the group's cash flow, and its experience in the drinks business.

drinks business.

Morcover, the association with Guinness and the added intarnational access wore likely to prove valuable in the advent of a single European market in 1992.

In turn, Mr Tennant said, Guinness would benefit from

Guinness would benefit from Mr Arnault'e knowledge of the luxury and fashion business and his strong standing in the French business community. Guinness was also expected to gain from the association with Mr Arnault in the context of

In spite of the consensus that reigned yesterday, only the next months will tall whether the group has man-aged to resolve its manage-ment and personality differ-

At the same time, the voice of the ambitious Mr Arnault is likely to start being heard increasingly. Even with the brilliant financial results of his group, tha soft-spoken Mr Chevalier will have to continue to perform in coming months a delicate balancing act.

Colgate sets up board for Europe

By David Buchan in Brussels

COLGATE-PALMOLIVE, tha US cosmetics and detergents company, yesterday announced the creation of a new Brussels based management board to run its \$1.8bn a year European businesses "more effectively in the Europe of 1992."

The restructuring represents a change of policy for the household and personal products company, which has traditionally divided its European operations into national verti-cally-integrated and self-suffi-cient subsidiaries. Colgate-Palmolive employs 6,000 people in Europe with manufacturing plants in nine countries. Heading the new European management board will be Mr

Brian Bergin. Other board members will be general man- debt-to-equity conversions agers of European subsidiaries. have flourished.

foreign capital rules for banks By John Barham In Sao Paulo

Brazil eases

BRAZIL HAS created an opening for foreign capital in its highly protected banking system, but few foreign bank-ers believe it will lead to a rush of new investment.

The Government's National Monetary Council, which legislates on financial matters, ing-riedly took the foreign capital decision on the eve of the new

decision on the eve of the naw constitution's promulgation. The charter is hostile to foreign investments.

The connect ruled on Wednesday that foreign banks would now he shis to hold up to one-third of the voting stock and half the total capital of local financial institutions.

Foreign bankers applauded the new policy. However, and the new policy. However, an

American investment banker said that although the move was sensible as far as Brazilian and foreign banks were con-cerned, he was not expecting significant foreign investments in local commercial banks. He said: "I don't think there will be a stampeda to get into commercial banking in Brazil. The banks that want to be players are already here." For 20 years the Central Bank routinely rejected all

requests by foreign investors to set up commercial banks of their own or in partnership with Brazilians. The investors could only buy minority stakes in investment banks.
The Finance Ministry said

the new policy was part of a wider reform of the country's financial system that was being funded by a \$500m World Bank loan.

The reform will streamline the banking industry by allow-ing financial conglomerates to form their subsidiaries into a

single company.

Tha Central Bank now requires that a conglomerate's savings and loan companies, consumer finance operations and investment and commercial banking activities must be run as separate companies. There are 11 foreign commercial banks operating in Brazil,

set up before the introduction of investment restrictions. However, several foreignowned investment banks have opened their doors this year as

5.0

Eastern Air wage cuts rejected

and confident on the podium

By Our New York Staff

MECHANICS and baggage handlers at Eastern Air Lines, the deeply troubled operating subsidiary of Texas Air, have overwhelmingly rejected con-tract proposals which would have slashed their wages.

The negative vote, predicted by both parties, took them a step closer to a showdown. The airline said it could only survive if the union matched steep wage reductions accepted by other employees. The International Associa-

tion of Machinists and Aerospace Workers said the cuts of up to 56 per cent and the loss of job protection were unacceptable to almost all its 8,700 members.

Eastern said the delayed and lengthy vote had been only a stalling tactic by the union to postpone the moment when a Federal government mediator would declare that the contract negotiations were at an

Once the mediator does so,

PNC Financial to buy Delaware bank By Our Financial Staff

PNC FINANCIAL, one of the

fastest growing US banks, continued along its expansionist road yesterday with the announcement of a deal to acquire Bank of Delaware.

The transaction, worth some the control of the same than the control of th

Dealware bank's expected earnings in 1988, involves an exchange of 0.7 PNC share for each Bank of Delaware share. PNC said Bank of Delaware had granted it an option to buy The transaction, worth some up to 1.6m common shares at \$230m or about 13 times the 0.7 times the market price of

PNC Financial common stock at the close on September 21. PNC closed on Wednesday at \$43.125 per share. Bank of Delaware, which

earned \$16.5m in 1987, had assets of \$1.8bn as of June 30.

And the control of th

CHAIRMAN'S

HE earnings and dividends of Gold Fields of South Africa increased modestly during the past year. A disturbing feature of the year was that the rate of increase of the gold price in rand terms was less than the rate of increase of operating costs of the gold mining companies. This once again highlights the importance of the current programme to improve efficiencies on all group mines.

WORLD ECONOMY The world economic scene was

dominated during the past year by the major set-back suffered by all the leading stock exchanges during October 1987 While some people are inclined to blame the set-back on market technicalities, there is no doubt that the euphoric condition which preceded the set-back were not histified by the fundamentals. A significant correction was therefore inevitable and it is noteworthy that although confidence has re-emerged in most markets, there is a distinct absence of euphoria. The monetary and fiscal authorities of the world's leading industrialised nations reacted swiftly and decisively to the events of October 1987 and thus far have been able to prevent a serious deterioration in world economic conditions. Indeed, the action taken has been far more succe than most people had expected with the result that there has been continued economic growth on a worldwide basis. Nevertheless, there continue to be worrying signs of imbalances in the world economy. In this regard it must be expected that the new United States administration which will assume office in January 1989, will quickly act to analyse the underlying issues behind the imbalances in the American economy. Any resulting actions will have a major bearing on world economic activity in the shorter term.

SOUTH AFRICAN ECONOMY

During the past year the South African economy has rapidly gathered momentum in response to monetary and fiscal stimuli. With the growing importance of the informal sector it has become apparent that a number of indices which are used for measuring economic activity are now less representative of the real conditions in the market place than in the past. As a consequence the authorities continued to stimulate the economy for longer than was justified. Recently the authorities have been forced to act to reduce the level of economic activity and it is to be hoped that



the measures which have been introduced do not create a recession which would

have serious socio-political consequences There is no doubt that the unavailability of foreign loan finance to fund South Africa's growth requirements is a major constraint on the country's economy. While substantial progress has been made to stabilize the country's external economic relations, considerable time and effort is still required to develop a realistic strategy for the internal economy. It is quite clear that there will have to be a eries of major policy shifts which will be unpalatable to various groups of people Economically South Africa cannot afford the existing and proposed political structures with their overlapping bureaucracles. A simpler and more efficient model is a necessity. In the social field, there is an understandable desire to correct the social problems of the past as quickly as possible. Unfortunately it is economically impossible to achieve many of the current objectives. In simple terms both the political and social elements in the economic equation are absorbing an increasingly disproportionate amount of the country's human and financial resources. A far greater proportion must be devoted to productive economic activity in order to create the additional wealth which is essential not only to sustain current *per capita* incomes but also to fund realistic social programmes.

in many respects South Africa remains an economic enigma. It has enormous natural resources which historically have been developed for the benefit of the country as a whole. The

agriculture and mining. Adverse weather conditions have highlighted flaws in agricultural policy which have undermined that sector's competitiveness. As a result it will be years before agriculture resumes its rightful place in the economy. The mining industry, which remains South Africa's chief source of foreign exchange, continues to suffer from a series of creeping disincentives to new investment. It is vital that the critical role played by exports in the South African econom must be recognised unambiguously not only by government, which should swiftly sweep aside all constraints, but also by the private sector itself which should actively seek to take advantage of the many opportunities which do exist. Much has been made of the shortage of funds for investment purposes and in many cases this is a valid constraint. Nevertheless, it is astonishing that in a developing country, such as South Africa, so many industria enterprises operate a 40 hour week which is only 25% of the time available. We should aim to emulate our major competitors in south-east Asia who endeavour to utilize their plants to a minimum of 85% of the weekly hours. The impact on our productivity and cost competitiveness would be dramatic.

GROUP OPERATIONS The group remains primarily invested in gold mining and is fortunate in that four of the mines, in which it has major investments, are amongst the five lowest cost producers in South Africa. The ning group gold mines are in reality marginal producers. These mines which would be nearing the end of their economic life cycles based upon their original mining leases, are currently at different stages of opening up new extensions. For a number of years they will continue to operate with limited flexibility and therefore ability to withstand any setbacks in the gold price. However, once their new areas are fully operational it is expected that flexibility will be restored and that they will be able to reduce their cost structures. The managements of the mines concerned are acutely aware of their vulnerability and the Importance of improving productivity over the next few years. It is to be hoped that they will be able to attain and, if possible, beat the group's productivity improvement rargets on a regular basis.

The group's policy of increasing its involvement in coal and base metal mining is beginning to bear fruit. While the South African coal mining industry remains in a state of flux with reduced profitability principal engine of the economy has been compared to that which prevailed a few its primary sector and, in particular, years ago, there has been a significant

improvement in the profitability of the base metal industry due to higher prices of a number of commodities in both dollar Subsequent to the acquisition of an

additional interest in Tsumeb Corporation Limited, all the group's interests in Namibia were merged into Gold Fields Namibia with retrospective effect to 1 January 1988. It is intended that Gold Fields Namibia will be listed on The ohannesburg Stock Exchange in the nea future and that this will be preceded by a private placing of shares with that group's employees and financial and business associates in Namibia.

NEW BUSINESS

Towards the end of the year agreeme was reached with Venterspost Gold Mining Company Limited for that company to acquire an area of gold mineralization which lies directly to the east of its mine, from a subsidiary of this company, New Wits Limited and Randfontein Estates Gold Mining Company, Witwatersrand, Limited The area concerned had been the subject of intense exploration by the group's geologists who had identified a sig tonnage of low-grade ore which will enable Venterspost materially to increase its life and, more importantly, to increase its mining flexibility to withstand any major variations in the gold price. Work or opening up the area, which is relatively hallow, has commenced and is expecte to be complete in about four years.

The group's gold exploration continues or a wide-ranging basis. A major area of gold mineralization is currently being explored in an area lying to the south of the old Orange Free State soldfields. On the information available to date, the area concerned has a resource of approximately 1 150 tons (37 million ounces) of gold. Further drilling will have to be completed before an economic assessment of the area can be made.

The group's exploration for coal is continuing on a modest scale. However, the group is well placed to take advantage of any opportunities for sales of power station or export coal. As a result of the group's exploration over recent years it has uncommitted in situ coal resources of approximately 6 000 million tons. Exploration for base metals is primarily focussed on proving additional orebodies for mining by the operating mining companies within the group. However, group companies now hold a 55% interest In Gamsberg Zinc Corporation Limited. The possibility of turning that company's major zinc deposit to account is being

actively re-examined. The resource of approximately 10 million tons of zinc metal is substantial by world standards. An imaginative technical and financial solution will be required to enable this deposit, which is a short distance from Black Mountain'e Broken Hill mine, to be brought to production.

HUMAN RESOURCES The process of removing racial discrimination in the South African mining

industry is proceeding at a snail's pace, Although the amendments to the Mines and Works Act were passed over a year ago, the regulations in terms of the Act have only recently been published. Regrettably the regulations, which should confine themselves to matters relating to health and safety, incorporate a wide range of provisions which could be used to hamper the advancement of black employees. It remains to be seen whether these provisions will be so used and it is intended to press speedily for suitably qualified people to be examined for their appropriate certificates. At the present time there is a growing shortage of holders of certificates at all levels. In some instances production is suffering and the horage of qualified people is seriously hampening efforts to improve productivity. The shortage is such that no responsible white employee should feel any threat to his employment. Nevertheless, individual mine managements will have to work closely with their employees to overcome their inevitable concerns.

During the past year there have been encouraging signs that the mining industry is moving into an era of more stable industrial relations. While it is inevitable that there will be periodic outbursts, it is to be hoped that the more mature approach will continue to grow with mutual advantages for both employers and

OVERVIEW

As an organisation which is committed to a future in the mining industry, the group's primary objective is to find and develop the mineral and human resources to sustain the group's operations on an ongoing basis. All the major operating companies within the group now

command mineral resources adequate to sustain their operations well into the 21st

Some companies will have to navigate turbulent waters as marginal producers while they open up new areas of mineralization. Others, on the other hand, will not be threatened by fluctuating metal prices and therefore can focus more sharply on sustaining optimal profits and pioneering new technological develop-ments for the benefit not only of themselves but other mines in the inclustry.

The group's new business activities, as I have indicated are locating significan mineral resources which I am sure will be economically mined at the appropriate time in the future.

For many years the group's narragement has been made up of a fine blend of mature and younger people. The importance of auracting and developing young professional talent can never be over-estimated. At this point in time the group is exceptionally fortunate in the quality of the people which it is attracting into its bursary schemes and subsequently employment within the group. In my view the group is better served in this area than at any time in the last thirty years and it is vital that we encourage, develop and challenge these people to make the contribution which they are capable of in the future running of the group.

In conclusion I would like to pay tribute to the services rendered by Mr. A. M. D. Gnodde who proceeded on pre-redrement leave on 30 June 1988, after devoting a lifetime of service to Gold Fields. In particular be had played a vital role in the direction of the group from 1969 when he first became an Executive Director. His wise counsel will be missed and we wish him good health and happiness in his retin

Finally, I must once again acknowledge with gratitude the contributions made by my colleagues on the board, the management and employees of all the group companies. The group is indeed fortunate to have their loyal and talented

Robin A. Plumbridge



rated in the Republic of South Africa)

A STATE OF THE STA

3razil ease oreign apital ruk A A SERVED

orn all 🚌

The Board

് ന്നേറ്

COTTONE

COTTON

CO

1.00

200

1.00

i www.i

11 3

INTERNATIONAL COMPANIES AND FINANCE

Swedish banks boost earnings

By Robert Taylor in Stockholm

es in profits for the first

PK, Sweden's third-largest commercial bank, increased its operating profits by 26 per cent over the period to SKrl.42bm (\$220m) from SKrl.13bn in the first eight months of 1987. At the same time there has been an 18 per cent increase in the profits of the PK group as a

whole to SKrl.94bn.
PK said it was ou course to meet its prediction of a full year's operating profits for the banking group of around SKr2.5bn, against SKr2.098bn last year, while the acquisition of Carnegie, Sweden's leading brokerage firm, in the spring meant that PK's total operat-ing profit for 1988 looked likely

to be around SKr2.8bn. At the same time it has been announced that PK now has 90.1 per cent of the shares and votes in Carnegie. When the purchase of Carnegie took place PK acquired 20.9 per

PK has shown a substantial to SKr140m.

PKBANKEN and Götabanken, improvement over the period two of Sweden's leading banks, in the size of its interest have reported substantial income, which has risen from in the size of its interest income, which has risen from SKr2.78bn to SKr2.248bn Howeight months of the year, giver, the bank also reported a rise in credit losses, up from country's booming economy.

Skr255m for the first eight

months of 1987 to SKr344m. Götabanken. Sweden's fourth-largest commercial bank reported that operating profits for the first eight months of the year rose by 52 per cent to SKr461m. The Gota group as a whole did even better over the same

period with a 56 per cent increase in operating profits from SKr289m to SKr450m.

The bank said the strong upward trend in Götabanken's overall performance meant that its prediction of SKr700m profits for the full year would be met.

The main reason for the strong performance at Gota-banken is the huge rise in the level of interest income, up by 30 per cent over the eight months to SKrl.014bn. By contrast, total costs rose

by 18 per cent over the same period to SKr778m. Credit sses declined by 12 per cent

Case Poclain buoyed by building sector upturn

By Paul Betts in Paris

CASE POCLAIN, the French agricultural and construction its fiscal year on December 1 equipment manufacturer contains a superior of the company has decided to start its fiscal year on December 1 rather than January as in the trolled by Tenneco of the US,

trolled by Tenneco of the US, confirmed yesterday its recovery by reporting first half net profits of FFr25.1m (US\$3.9m) on sales of FFr297bn.

The group said its activities were buoyed by the strong recovery in the French building and public works sector while sales of agricultural machinery were higher than original forecasts.

Case Poclain said the results

Case Poclain said the results of the latest half were not directly comparable with those of the same period last year. The latest figures take into account the merger of Ten-neco's Frencb Case subsidiaries into Poclain.

Moreover, the restructured

past.
The FFr25.1m net earnings and the FFr2.97bn sales thus cover the six month period from December 1 to the end of May. By comparison, Poclain under its old structure reported a loss of FFr85.1m on sales of FFr1.49bn for the six months from January to June

The company said a restruct-uring plan had been launched in the first half of this year designed to reduce 378 jobs between now and the end of next February

It added that the group had invested FFr228m during the first half as part of its overall restructuring plan.

St-Gobain jumps 49%

By Our Paris State

SAINT-GOBAIN, the privatised from FFr1.5bn. Sales fell to FFr29.5bn from yesterday reported a 49 per FFr38.4bn in the first balf of French glass and pipes group, yesterday reported a 49 per cent increase in first-half net profits, excluding minority interests, to FFr1.75bn (\$274m) compared with the first half of last year.

The group said that all its principal sectors performed strongly in the first half. Operating profits rose to FFr4bn from FFr3.6bn in the first half

Overall net income, includ-

1987 but the fall reflects the change in the group's structure following Saint-Gobain's deci-sion to shed its interest in the Société Générale d'Entreprise

construction group.
On a comparable basis, sales expressed in Freuch francs would have shown a 7.1 per cent increase in the first half. Cash flow totalled FFr3.4bn covering comfortably a 21.8 per cent increase in industrial investments to FFr2.1bn.

ing minority interests, rose uearly 44 per cent to FFr2.3bn

The National Finance Directors' Exhibition and Conference 28, 29 & 30 September 1988

Upper Street / Islington / London N1 The Complete Forum for Senior Corporate Decision Makers

The Exhibition: THE EXECUTORED THE AMERICAN AND A STATE AN

EBEX



The Conference:

Nationwide Anglia ===

€300,000,000

Floating Rate Notes

Due 1996

* Short: How-day, 10mm-day, # 10mm-day

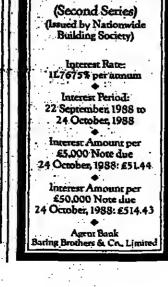
AMEDICO INTERNATIONAL FINANCE N.V. 7½ Per Cent Convertible

Bonds due 1988

Service Corporation Inte Texas corporation [1801], hereby gives notice to the notices of the 7-11 2% Convertible Sonds Oue 1988 Issued by AMEDCO International Finance N.V., (the "Bonds") that SG / tesued preferred share purchase rights [the "Rights") on July 28, 1968 to holders of SCI common stock. Until the Rights become exercisable following the occurrence of certain events. en share of SCI common atook leaved after July 28, 1966, including afteres issuable upon conversion of the Bonds, will have one Right strached to

it. No other adjustment in the conver-sion price has been made. Further

Information regarding the Rights has been filed with Berkers Trust Company, as Trustee under the Indenture for the Bonds.



Good half for Baltica

BALTICA HOLDING, parent company of the Baltic insurance and finance services group, has reported an "extremely satisfactory" first half, writes Hilary Barnes in

Copenhagen.
Operating earnings were
DKr280m (\$23.3m) and capital gains were DKr349m to make a total profit of DKr529m, compared with DKr261m in

the same period last year.

A substantially increased operating profit is expected for the full year compared with last year's DKr340m but no further increase is expected in capital gains.

Hafslund plans to split shares

By Karen Fossii in Oslo

HAFSLUND NYCOMED, the diversified Norwegian group, plans a four-for-one share split and also intends to increase its share capital by NKr46.97m (86.8m) through a one-for-five

scrip issue.
The move comes just one week after Norway's Ministry of Industry proposed that forsign ownership of voting shares in industrial companies should be boosted to 33.3 per

cent from 20 per cent.

Hafslund is the second largest company, behind Norsk
Hydro and ahead of Bergesen,
on the Oslo Stock Exchange in
terms of market value.

Retween September 26 and end-March 1989 Hafslund shareholders will be able to transfer up to 10 per cent of their shares to foreign inves-tors in a move which could represent 8 per cent of the

company's share capital.

The stock split will replace one old share with 8 nominal value of NKr20 with four shares each with a nominal value of NKr5.

The increase in share capital is to be undertaken by transferring funds from Hafslund's reserves without payment by the shareholders. Five new shares will give the right to

one new non-voting share.
This new class of non-voting shares (B shares), which can be sold freely to foreigners, is to be established by the transaction. The shares are to be listed separately on the Oslo Stock Exchange by October 18 and will be entitled to a full divi-

dend payment for 1988. The proposals are to be voted on October 17 during an extraordinary general meeting. In the first half of 1988 Hafslund's profits increased by 26 per ceut to NKr419m.

Hafslund's shares closed at NKr520 vesterday on the Oslo

AMENDED NOTICE



National and Provincial Building Society Japanese Yen 10,000,000,000

Floating Rate Notes due 1995

For the six months

6th September, 1988 to 6th March, 1989

In accordance with the provisions of the Notes, notice is hereby given that the rate of interest has been fixed at 515 per cent, per annum, and that the interest payable on the interest payment date, 6th March, 1989 against Coupon No. 1 will be Yen 2,553.836 per Yen 100,000,000 Note

The Industrial Bank of Japan, Limited Agent Bank

NOTICE OF A MEETING

Landesbank Schleswig-Holstein Girozentrale A\$30,000,000 121/2% Notes due 1989

NOTICE IS HEREBY GIVEN that a Masting of the holders Itha "Noteholders") of the above-mentioned Notes (the "Notea") convened by Landesbank Schleswig-Holstein Girozentrale (the "Benk") will be held at 10.30 am (London time) on 18th October, 1988 at the offices of The Royal Bank of Canada, 71 Queen Victoria Street, London EC4V 4DE for the purpose of considering end, if thought fit, passing the following Resolution which will be proposed as an Extraordinary Resolution in accordance with the provisions of the Fiscal Agency Agreement dated 15th May, 1988 made between the Bank and Orion Royal Bank Limited (the "Fiscal Agent") and others relating to the Notes.

The Resolution, if passed, will modify, inter alia, the Terms and Conditions of the Notes (the "Conditions") by the insertion of an additional Condition pursuant to which the Bank may, without the consent of the Noteholders or the holders of the coupons appartaining thereto I the "Couponholders" and the "Coupons", respectively), effect the substitution of a body corporate incorporated or established outside the Federal Republic of Germany as debtor under the Notes and Coupons and discharge of the Bank from its obligations and liabilities under the Notes and Coupons, subject to the payment of principal, interest and other amounts in respect of the Notes being unconditionally and irrevocably guaranteed by the Bank.

Notaholders should note, in particular, that, in connection with any substitution effected pursuant to the modified Conditions, the Bank will not be required to have regard to the consequences of such substitution for individual Noteholders or Couponholders resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory and no Noteholder or Couponholder will be antitled to claim from the Bank or the substituted dabtor any Indemnification or peyment in respect of eny tex or other consequence arising from such substitution.

Full details of the background to, and the reasons for, the proposed modification and the Extraordinary Resolution are contained in an Explanatory Statement prepered by the Bank dated 23rd September, 1988, copies of which are available for collection by Noteholdars at the specified offices of the Agents for the Notes specified below. The Explanatory Statement contains, inter alie, (1) the form of the Substitution of Debtor Condition which will be incorporated in the Conditions if the Extraordinary Resolution is passed and (2) the form of the Deed of Guerentee by the Bank In, or substantially in, the form in which it will be executed in connection with any substitution of debtor effected in accordance with the Conditions as so modified (and heving attached Conditions in, or substantially in, the form which would apply following any such substitution).

The Resolution to be proposed at the Meeting is as follows:-**EXTRAORDINARY RESOLUTION**

"THAT this Meeting of the holders (the "Noteholders") of the A\$30,000,000 12½% Notes due 1989 (the "Notes") of Landasbank Schleswig-Holstein Girozentrals (the "Bank") issued under a Fiscal Agency Agreement (the "Fiscal Agency Agreement") dated 15th May, 1986 made between the Bank and Orion Royel Bank Limited as Fiscal Agent (the "Fiscal Agent") and others hareby:-

(1) assents to the modification of the Terms and Conditions of the Notes (as printed on the reverse thereof and in Schedule 1 to the Fiscal Agency Agreement) proposed in paragraph (b) of the Explanatory Statement issued by the Bank and dated 23rd September, 1988 a copy of which has been produced to this Meeting and Initialized by the Chairman hereof and by or on behalf of the Bank for the purpose of identification;

(2) senctions every modification, ebrogadon, variation, compromise of, or errangement in respect of, the rights of the Noteholders end the holders of the Coupons appertaining to the Notes against the Bank involved in; or resulting from the modification referred to in paragraph (1) of this Resolution or any substitution of debtor mode pursuant to, and in eccordance with, the Tarms and Conditions of the Notes as so modified; and

(3) authorises the execution of a Supplemental Fiscal Agency Agreement in the form of the draft to give effect to the modification referred to in paragreph (1) of this Resolution."

The ettention of Noteholders is particularly drawn to the quorum required for the Meeting and for an adjourned Meeting which is set out in paragraph 2 of "Voting and Quorum" below. Copies of the Fiscal Agency Agreement (including the currently opplicable Conditions) and of certain other relevant documents are available for inspection by Noteholders at the specified offices of the Agents for the Notes specified below.

VOTING AND QUORUM

A Noteholder wishing to attend and vote at the Meeting in person must produce at the Meeting either the Note(s), or e-valid voting certificate or valid voting certificates issued by an Agent relative to the Note(s), in respect of which he wishes to vote.

A Noteholder not wishing to attend and vote at the Meeting in person may either deliver his Note(s) or voting certificate(a) to the person whom he wishes to attend on his behalf or give e voting instruction (on a voting instruction form obtainable from the specified office of any of the Agents specified below) instructing an Agent to appoint a proxy to attend and vote at the Meeting in accordance with his instructions.

Notes may be deposited until the dme being 48 hours before the time appointed for holding the Meeting lor, if applicable, any edjourned such Meeting) but not the relater with any Agent or Ito the setisfaction of the Riscal Agent) held to the Riscal Agent's order or under its control by Eurociear, or CEDEL S.A., for the purpose of obtaining voting certificates or giving voting instructions in respect of the relevant Meeting. Notes so deposited or held will be released at the conclusion of the Meeting (or, if applicable, any adjourned such Meeting) or upon surrender of the voting certificate(s) or, being not less then 48 hours before the dme for which the Meeting lor, if applicable, any adjourned such Meeting) is convened, the voting instruction receipts(s) issued in respect thereof. receipt(s) issued in respect thereof.

The quorum required at the Meeting is one or more persons present holding Notes or voting certificates or being o proxy or proxies and holding or representing in the aggregate not less than a clear majority of the principal amount of the Notes for the time being outstanding. If within half en hour from the time appointed for the Meeting a quorum is not present at the Meeting, the Meeting will be adjourned and the Extraordinery Resolution will be considered at an adjourned Meeting (notice of which will be given to the Noteholders). The quorum required to consider the Extraordinary Resolution et such an adjourned Meeting will be two or more persons present in person holding one or more Notes or voting certificates or being a proxy or proxies whetever the principal omount of the Notes so held or represented by them.

Every question submitted to the Meeting or the adjourned Meeting will be decided on a show of hands unless a poll is duly demanded by the Chairman of the Meeting or by one or more persons present in person and holding one or more Notes or voting certificates or being a proxy or proxies end holding or representing in the eggregate not less then one-fitteth of the principel amount of the Notes than outstanding. On a show of hands every person who is present in person and produces a Note or voting certificate or is a proxy shall have one vota. On a poll every person who is so present shall have one vota in respect of every AS1,000 in principal amount of the Notes so produced or represented by the voding certificate so produced or in respect of which he is a proxy. On a show of hands a declaration by the Chairman of the Meeting that a resolution has been certifed or lost shell be conclusive avidance of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.

To be passed, the Extraordinary Resolution requires a majority in favour consisting of not less then three-quarters of the persons voting thereon upon e show of hands or, if a poil is duly demanded, then by a majority consisting of not less then three-quarters of the persons voting thereon upon e show of hands or, if a poil is duly demanded, then by a majority consisting of not less then three-quarters of the votes given on such poil. If pessed, the Extraordinary Resolution will be binding upon all the Noteholders, whether or not present at such Meeting end whether or not voting, end upon all Couponholders.

AVAILABILITY OF DOCUMENTS

Copies of the Fiscal Agency Agreement may be inspected, and copies of the Explanatory Statement, voting certificates end other documents referred to above may be obtained, by Noteholders from the specified office of ony of the Agents given below.

PISCAL AGENT Orion Royal Bank Limited,

London EC4V 4DE **PAYING AGENTS** The Royal Bank of Canada A.G.,

The Royal Bank of Canada (Belgium) S.A., Banque Internationale e Luxembourg S.A., nue de Ligne 1, 2 Boulevard Royal, rue de Ligne 1, B-1000 Brussels

The Royal Bank of Canada (France) S.A.,

L-2953 Luxembourg The Royal Bank of Canada (Suisse), rue Diday 6, 1204 Ganeve

This Notice has been approved by Orion Royal Bank Limited, a membar of Tha Securities Association.

NOTICE OF A MEETING

of the holders of

Landesbank Schleswig-Holstein Girozentrale A\$30,000,000 141/4% Notes due 1991

NOTICE IS HEREBY GIVEN that a Meeting of the holders (tha "Noteholders") of the above-NOTICE IS HEREBY GIVEN that a Meeting of the holders (the "Noteholders") of the above-mentioned Notes [the "Notes") convened by Landesbank Schlaswig-Holstein Grozentrale (the "Bank") will be held at 9 am (London tima) on 18th October, 1989 at the offices of The Royal 9ank of Canada, 71 Queen Victoria Straet, London EC4V 4DE for the purpose of considering and, if thought fit, passing the following Resolution which will be proposed us an Extraordinary Resolution in accordance with the provisions of the Fiscal Agency Agreement dated 3rd Fabruary, 1986 made between the Bank and Orion Royal Bank Limited [tho "Fiscal Agent") and others relation to the Notes. others relating to the Notes.

The Resolution, if passed, will modify, inter alia, tha Terms and Conditions of the Notes (tha "Conditions") by the insertion of an additional Condition pursuant to which the 9ank may, without the consent of the Noteholders of the holders of the coupons appertaining therefol the "Couponholders" and the "Coupons", respectively), effect the substitution of a body corporate "Coupons and the "Coupons", respectively), effect the substitution of a body corporate and Coupons and discharge of the Poles and Coupons and discharge of the 9ank from its obligations and habilities under the Notes and Coupons, subject to the payment of principal, interest and other amounts in respect of the Notes being unconditionally and irravocably guaranteed by the 9ank.

Notaholdars should note, in particular, that, in connection with any substitution affected pursuant to the modified Conditions, the Bank will not be required to have regard to the consequences of such substitution for individual Noteholdars or Couponholders resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory and no Noteholder or Couponholder will be entitled to claim from the Bank or the substituted debter any indemnification or paymant in respect of any tax or other consequence arising from such substitution.

Full details of the background to, and the reasons for, the proposed modification and the Full details of the background to, and the reasons for, the proposed modification and the Extraordinary Rosolution are contained in an Explanetory Statement prepared by the Bank dated 23rd September, 1988, copies of which are available for collection by Noteholdars at the specified offices of the Agents for the Noies specified below. The Explanatory Statement contains, inter alia, (1) the form of the Substitution of Debtor Condition which will be incorporated in the Conditions if the Extraordinary Resolution is passed and (2) the form of the Deed of Guarentsa by the Bank in, or substantially in, the form in which it will be executed in connection with env substitution of debtor effected in accordance with the Conditions as so modified (and having attached Conditions In, or substantially in, the form which would apply following any such substitution).

The Resolution to be proposed at the Meeting Is as follows:-

EXTRAORDINARY RESOLUTION

"THAT this Meeting of the holders (the "Noteholders") of the A\$30,000,000 14¼ per cent Notes due 1991 (the "Notes") of Lendesbank Schlaswig-Holstein Girozentrale (the "gank") issued under a Fiscal Agency Agreement (the "Fiscal Agency Agreement") dated 3rd February, 1986 made between the Bank and Orion Royal Bank Limited as Fiscal Agent (the "Fiscal Agent") and

(1) essents to the modification of the Tarms and Conditions of the Notes (as printed on the reverse thereof and in Schedule 1 to the Fiscal Agency Agreement) proposed in paragraph (b) of the Explenatory Statement issued by the Bank and dated 23rd September, 1988 e copy of which has been produced to this Meeting and initialled by the Chairman hereof and by or on behalf of the Bank for the purpose of Identification;

(2) sanctions every modification, abrogetion, variation, compromise of, or errangement in respect of, the rights of the Noteholders and the holders of the Coupons appertaining to the Notes egainst the Bank Involved In, or resulting from, the modification referred to in peregraph (1) of this Resolution or any substitution of debtor made pursuant to, and in accordance with, the Terms and Conditions of the Notes as so modified; and

(3) authorises the execution of e Supplemental Fiscal Agency Agreement in the form of the dreft produced to this Meeting end for the purpose of identification signed by the Chairman hereof to give effect to the modification referred to in paragreph (1) of this Resolution."

The attention of Noteholders is particularly drawn to the quorum required for the Meating and for en edjourned Maeting which is set out in paregraph 2 of "Voting and Quorum" below. Copies of the Fiscal Agency Agreement (including the currently applicable Conditions) and of certain other relevant documents are evailable for inspection by Noteholdere at the specified offices of the Agents for the Notes specified below.

VOTING AND QUORUM A Noteholder wishing to ettend and vote at the Meeting in parson must produce at the Meeting either the Nota(al, or a valid voting certificate or valid voting certificates issued by an

Agent relative to the Note(s), in respect of which he wishes to vote. A Noteholder not wishing to attend and vote at the Meeting in person may either deliver his Note(a) or voting cartificate(s) to the person whom he wishes to attend on his behalf or give a voting instruction lon a voting instruction form obtainable from the specified office of any of the Agents specified below) instructing an Agent to appoint a proxy to attend and vote at the Meeting in accordance with his instructions.

Notes may be deposited until the time being 48 hours before the time appointed for holding the Meeting (or, if applicable, any adjourned such Meeting) but not thereafter with any Agent or (to the seosfaction of the Fiscal Agent) held to the Fiscal Agent's order or under its control by Euro-clear or CEDEL S.A., for the purpose of obtaining voting certificates or giving voting instructions in respect of the relevant Meeting. Notes so deposited or held will be released at the conclusion of the Meeting lor, if applicable, any adjourned such Meeting or upon surrander of the voting certificate(s) or, being not less than 48 hours before the time for which the Meeting (or, if applicable, any adjourned such Meeting) is convened, the voting instruction receiptis) issued in respect thereof.

The quorum required et the Meeting is one or more persons present holding Notes or voting certificates or being a proxy or proxies and holding or representing in the aggregate not less than a clear majority of the principal amount of the Notes for the time being outstanding. If within half an hour from the time appointed for the Meeting a quorum is not present at the Meeting, the Meeting will be adjourned and the Extraordinary Resolution will be considered at an adjourned Meeting Inotice of which will be given to the Noteholders. The quorum required to consider the Extraordinary Resolution at such an adjourned Meeting will be two or more persons present in person holding one or more Notes or voting certificates or being a proxy or proxies whatever the principal amount of the Notes so held or represented by them.

Every question submitted to the Maeting or the adjourned Meeting will be decided on a show of hands unless a poll is duly demanded by the Chairman of the Meeting or by one or more persona present in person and holding one or more Notes or voting certificates or being a proxy or proxies and holding or representing in the aggregate not less then one-fiftieth of the principal amount of the Notes then outstanding. On a show of hands every person who is present in person and produces a Note or voting certificate or is a proxy shall have one vote. On a poll every person who is so present shall have one vote in respect of every A\$1,000 in principal amount of the Notes as produced or represented by the voting certificate so produced or in respect of which ha is a proxy. On a show of hands a declaration by the Chairman of the Meeting that e resolution has been carried or lost shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.

To be passed, the Extraordinary Resolution requires a majority in favour consisting of not less than three-quarters of the persons voting thereon upon a show of hands or, if a poll is duty demanded, than by a majority consisting of not less than three-quarters of the votes given on such poll. If pessed, the Extreordinary Resolution will be binding upon all the Noteholders, whether or not present at such Meeting and whether or not voting, and upon all Couponbolders.

AVAILABILITY OF DOCUMENTS

Copies of the Fiscal Agency Agreement may be inspected, and copies of the Explanatory Statement, voting certificates and other documents referred to above may be obtained, by Noteholdors from the specified office of any of the Agents given below. **FISCAL AGENT**

Orion Royal Bank Limited, 71 Queen Victoria Street, London EC4V 4DE

PAYING AGENTS The Royal Bank of Canada A.G., Gutleutstrasse 85.

6000 Frankfurt/Main 1

rue de Ligne 1, B-1000 Brussels

The Royal Bank of Canada (France) S.A., 3 rue Scribe. 75440 Paris

L-2953 Luxembourg The Royal Bank of Caneda (Suisse), rue Diday 6,

The Royal Bank of Canada (Belgium) S.A., Banque Internationale a Luxembourg S.A.,

1204 Ganava This Notice has been approved by Orion Royal Bank Limited, a momber of The Securities Association.

ratio (%)

25.35

AWA returns to black after programme of restructuring

By Chris Sherwell in Sydney

A PROGRAMME of restructuring has brought a turnaround in fortunes at AWA. communications group, which yesterday reported net earnings of A\$7.9m (US\$6.2m) for the year ended June against a A\$9.7m loss in the previous

The improvement was achieved on trading turnover of A\$532m, a rise of 4.6 per cent, and according to Dr Peter Crawford, the managing direc-tor, the group now has e clean balance sheet, no gearing, a strong asset base and substantial cash and borrowing

As a result of cepital gains arising from the reconstruc-tion, he and the board have proposed a change to tha group's cepital structure which would entail e tax-free distribution of 75 cents e share, amounting to a total of

This would consist of a cash return of 45 cents a chare achieved through a reduction in the par value of shares from 50 cents to five cents — and a 30 cents a share cash distribution from the share premium

AWA - formerly known as Amalgamated Wireless (Australasia) – said it had realised or arranged the sale of some A\$200m in assets and business units over the past twelve Extraordinary gains of

A\$59.8m came primarily from the sale of radio stations, while extraordinary costs, associated mainly with the restructuring, amounted to A\$49.9m.

Even after the distribution

the company would still have substantial cash reserves, a strong cash flow and no bor-rowings, Dr Crawford said. The group would now concentrate on high technology defence and aerospace, communications systems and networks information systems and electronic services. .

 Australian Consolidated Minerals, the mining group, yesterday announced a slight fall in operating profits for the year to Juna 30 and also unveiled a restructuring pro-posal intended to establish a major gold subsidiary.

Operating profits slipped from A\$21.2m to A\$20.1m but ACM said this was a peculiar result of two positive achieve-ments: increased mine profits and higher investment in

exploration.
-Existing ehareholders will receive entitlements to ahares in a subsidiary of ACM, ACM Gold, the operating company for all ACM's gold interests, et an issue price of 10 cents a

After the restructuring ACM will hold 50.2 per cent of the gold unit.

Japanese banks lose their financial muscle

Stefan Wagstyl on how the growth of companies' profits has given them more clout

nce, the black limou-DEBT-EQUITY RATIOS OF JAPANESE COMPANIES sines which take important Japanese business equity (Ybn) men to important meetings (Yba) equity (Ybn) (Ybn) whisked industrialists to the 3084 3202 3431 99125 25133 doors of their banks. Today, it 75248 77709 is the bankers who have to go 33157 112719 3325 3614 4252 calling. 123073 Japanese banks have lost 135668 their grip over Japanese indus-try. The growth of profits has allowed companies to repay 1984 1985 5257 6513 156120

them the right to set the terms when the time comes to raise new money. By UK and US standards short-term prime rate pegged to rates in the money market. banking relationships remain very close in Jepan, not least The main cause of this loosbecause banks are collectively ening of banking relationships lies in the decline of industry's the biggest shareholders in Japanese industry, but the balance of power has changed.

The banks are being forced to fight hard in a field where need to borrow. According to the Ministry of Finance, Japanese companies' ratio of debt to total assets fell from 75 per they once held the upper ground. Mr Teruyuki Taka-hashi, e general manager of cent to 61 per cent in the 10 financial years to the end of March 1987. The shift is even greater than it seems because

their old debts and won for

the Federation of Bankers

Associations of Japan said:

"The banks used to be

almighty. Things are different

However, he added that Jap-anese relationships were now a

lot more clear-cut than before.

Plans, made public earlier this month, for a reform of the way

banks set lending rates provide an illustration of Mr Wetan-

Hitherto, commercial banks

have pegged their sbort-term

prime rates to the Bank of Japan's official discount rate.

As a result, rates have often been below market rates, so

corporate borrowers, in return, have had to leave money on account with the bank in the

form of compensatory deposits.

screp this vague system of mutually-binding obligations and replace it with a clear-cut

The banks now propose to

important clients.

abe's argument.

Mr Hiroshi Watanabe, new-ly-appointed president of Sanwa Bank, put it another way. He said that foreign banks tended to have cut-and investment in financial mar-Increasing financial strength, fuelled by profits growth, has allowed companies dried relationships with their clients but the Jepanese tended to have "wet" ones. He was to raise funds in the capital markets more cheaply than by borrowing - often by using the foreign currency markets. referring to the highly-fluid, often intangible, yet very strong links which tie together Ishikawajimaharima Heavy Industries said: "The interest on Swiss-Franc bonds is onea main bank and its most third the cost of bank borrow-

> Japanese companiee. because they enjoy high credit ratings, have been among the biggest beneficiaries of the worldwide spread of securitisa-

borrowings later in the period include a rising proportion of short-term funds raised for

Deregulation has greatly extended companies' freedom Under the highly-centralised credit control system which existed until the late 1970s. commercial banks collected deposits from individuals and then lent money to long-term credit banks, which in turn lent long-term funds to indus-

In the 1980s, Japanese companies have been able to use a wider variety of financial instruments. The decline in bank lending has undermined the traditional notion of the main bank as an industrial company's biggest lender which generally oversees its dealings with other banks as

The main bank once combined the role of chief creditor with that of chief financial adviser. Today, relations are more varied. Mr Takahashi said: "The old-fashioned main bank structure is breaking

The extreme example is Toyota, the car maker, which has so much cash that it is sometimes called Toyota Bank. It used to borrow from Mitsui Bank and Tokai Bank. Today Toyota says it does not need

he case of Matsushita, the consumer electronics group, is perhaps more typical. It long relied on Sumitomo Bank as its main bank because the hank sup-ported Mr Konosuke Matsushita, the company's founder, in his early years. Now, the cash-rich group deals with several banks separately.

Relationships are changing even in the keiretsu, the groups of companies gathered around bank and held together by webs of cross-shareholdings and commercial links. The four strongest date to before the war — Mitsnbishi, Mitsul, Sumitomo and Fuyo, which is based on Fuji Bank.

Since they are no longer required to lend huge amounts of money, the banks are trying to be useful in other ways. Foreign exchange is a key service

for many companies, especially exporters. So is treasury man-

However, the most impor-tant new field is research. Companies are increasingly placing their business with the banks that can give them the best advice on future moves, including corporate acquisi-tions. Mergers and acquisitions teams have in the past two years become the fastest-grow-ing departments in many Japa-

Komatsu, the building equipnomatsu, the building equip-ment company, said: "Banks are changing their function. They provide information but we still need close ties in order to make use of their services."

If companies are reseased. If companies are reassessing their banks, the banks are also looking hard at their clients. One effect of the need to strengthen balance sheets to conform with new interna-tional standards for capital adequacy standards has been for banks to find out which customers are their most prof-

The answer is largely those companies for which the bank acts as a main bank. Other cusomers tend to take their best business elsewhere — to their own main bank. Mr Reese Harasawa, a corporate planner at Mitsubishi Bank, said there was less desire to be the sec-ond, third or fourth-ranked bank to a company.

For some banks, the new emphasis on corporate information services has actually strengthened contacts with clients, For example, in the early 1980s it looked as if Industrial Bank of Japan (IBJ), the lead-

Richemont (CFR), a holding

company for the international

investments of South Africa's Rembrandt Group, has amounced terms for its share

ssue, AP-DJ reports from Zor-

Mr Johann Rupert, manag-

ing director, said 52,000 bearer

shares at SFr5,100 apiece

would be made available in an

ing long-term credit bank and first-ranked in status among Japanese commercial banks. might find itself with little to do as companies no longer needed long-term funds. How-ever, IBJ has evolved into one of the most popular corporate

Any discussion of change in Japanese business relation ships is incomplete without mention of the limits of mention of the limits of change. The appearance of iBJ, the past-master of corporate lending, at the top of the pile in mergers and acquisitions activity shows that old loyal-ties die very bard.

The shift in the balance of power has been achieved.

power has been achieved mostly without fuss among the partners — there have been no public arguments.

companies have not been sacking one set of main bankers and appointing others. The difficulties foreign bankers have had in winning mainstream corporate business in Japan is compelling evilong-standing banking relation-

ships.

Japanese banks continue to hold shares in their customers. Industrial companies also hold bank shares — but the holdings are generally much

13/14

Toshiba, the electronics group, regards its banks' role as :shareholders as important

as their role as sources of finance and information.

Moreover, the bank-led groupings survive, even if they are more loosely-controlled. than before. When companies run into trouble it is still the main bank's job to mount a. last two years with Akai, the consumer electronics group, which has been supported by Mitsubishi Bank, its main bank. In the time-honoured way, Mitsubishi transferred funds and staff and increased

its shareholding in Akai. Mitsubishi Bank's Mr Hara-sawa said that banks were still lenders of last resort" but he added; "Banks used to endure had times in the hope of better deals later. That idea is chang-

today. .: Each share will be twinned

with one bearer participation certificate in Richemont, a

wholly-owned Luxembourg subsidiary which CFR has acquired from Rembrandt. CFR said that the new entity

was "now fully independent in

both legal and operational

NOTICE OF A MEETING

Landesbank Schleswig-Holstein Girozentrale

A\$50,000,000 13% per cent. Notes due 1990

NOTICE IS HEREBY GIVEN that a Meeting of the holders (the "Noteholders") of the ebove-mantioned Notes (the "Notes") convened by Landesbank Schleswig-Holstein Girozentrele (the "Benk") will be held at 12 noon (London time) on 18th October, 1988 at the offices of The Royal Bank of Canada, 71 Queen Victorie Street, London ECAV 4DE for the purpose of considering end; if thought fit, passing the following Resolution which will be proposed as en Extreordinary Resolution in accordance with the provisions of the Fiscal Agency Agreement dated 11th September, 1987 made between the Bank and Kredietbank S.A. Luxembourgeoise (the "Fiscal Agenta") and ethers relating to the Netwern selection to the Netwern relating to the Netwern Provisions of the Netwern Relating to the Relating to th

The Resolution, if pessed, will modify, inter elia, the Terms end Conditions of the Notes (the "Conditiona") by the insertion of en edditionel Condition pursuant to which the Benk mey, without the consent of the Noteholders or the holders of the coupons epperteining thereto (the "Couponholders" and the "Coupons", respectively), effect the substitution of a body corporate incorporated or established outside the Federel Republic of Germeny as debtor under the Notes and Coupons end discherge of the Bank from its obligations and liebilities under the Notes end Coupons, subject to the payment of principal, interest end other amounts in respect of the Notes being unconditionelly end irrevocably guerenteed by the Bank.

Noteholders ehould note, in particuler, that, in connection with eny substitution effected pursuant to the modified Conditions, the Benk will not be required to have regerd to the consequences of such substitution for individual Noteholders or Couponholders resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particuler territory end no Noteholder or Couponholder will be entitled to cleim from the Bank or the substituted debtor eny indemnification or payment in respect of eny tax or other arising from such substitution.

Full details of the background to, end the reasons for, the proposed modification end the Extreordinery Resolution ere contained in an Explenatory Statement prepared by the Bank dated 23rd September, 1988, copies of which are available for collection by Noteholders at the epecified offices of the Agents for the Notes specified below. The Explenatory Statement contains, inter alle, (1) the form of the Substitution of Debtor Condition which will be incorporated in the Conditions if the Extraordinery Resolution is passed end (2) the form of the Deed of Guarantee by the Benk In, or substantielly in, the form in which it will be executed in connection with eny substitution of debtor effected in eccordance with the Conditions as so modified (end having attached Conditiona in, or substantielly in, the form which would apply following any such substitution).

EXTRAORDINARY RESOLUTION

The Resolution to be proposed at the Meeting is as follows:-

"THAT this Meeting of the holders (the "Noteholders") of the A\$50,000.000 13% per cent. Notes, due 1990 (the "Notes") of Landesbank Schleswig-Holstein Girozentrale (the "Bank") issued under a Fiscal Agency Agreement (the "Fiscal Agency Agreement") dated 11th September, 1987 made between the Bank and Kredietbank S.A. Luxembourgeoise as Fiscal Agent (the "Fiscal Agent") and

(1) assents to the modification of the Terms end Conditions of the Notes (as printed on the reverse thereof end in Schedule B to the Fiscal Agency Agreement) proposed in paragraph (b) of the Explanetory Stetement Issued by the Bank end deted 23rd September, 1988, a copy of which has been produced to this Meeting and initialled by the Chairman hereof and by or on behalf of the Benk for the purpose of Identification;

(2) sanctions every modification, ebrogation, variation, compromise of, or arrangement in respect of, the rights of the Noteholders end the holders of the Coupons eppertaining to the Notes against the Bank involved in, or resulting from, the modification referred to in paragraph (1) of thie Resolution or eny substitution of debtor mede pursuent to, and in accordence with, the Terms end Conditions of the Notes as so modified; end

(3) euthorisas the execution of e Supplemental Fiscal Agency Agreement in the form of the draft produced to thie Meeting end for the purpose of Identification signed by the Cheirmen hereof to give effect to the modification referred to in paragraph (1) of this Resolution."

The attention of Noteholders is perticularly drawn to the quorum required for the Meeting end for an adjourned Meeting which is set out in paragraph 2 of "Voting and Quorum" below. Copies of the Fiscal Agency Agreement (including the currently applicable Conditions) end of certain other relevent documents ere aveilable for inspection by Noteholders at the specified offices of the Agents for the Notes specified below.

VOTING AND QUORUM

A Noteholder wishing to attend end vote at the Meeting in person must produce at the Meeting either the Note(s), or a valid voting certificate or velid voting certificates issued by en Agent reletive to the Note(e), in respect of which he wishes to vote.

A Noteholder not wiehing to attend and vote at the Meeting In person may either deliver his Note(a) or voting certificate(a) to the person whom he wishes to attend on his behalf or give e voting instruction (on a voting instruction form obtainable from the specified office of any of the Agents specified below) instructing en Agent to eppoint a proxy to attend end vote at the Meeting in accordance with his instructions.

Notes may be deposited until the time being 48 hours before the time eppointed for holding the Meeting (or, if epplicable, any adjourned auch Meeting) but not thereafter with any Agent or (to the satisfaction of the Fiscal Agent) hald to the Fiscal Agent's order or under its control by Eurocleer or CEDEL S.A., for the purpose of obtaining voting certificates or giving voting instructions in respect of the relevant Meeting. Notes so deposited or hald will be released at the conclusion of the Meeting (or, if applicable, any adjourned such Meeting) or upon surrender of the voting certificate(e) or, being not less than 48 hours before the time for which the Meeting (or, if applicable, eny adjourned such Meeting) is convened, the voting instruction receipt(s) Isaued in respect thereof.

The quorum required at the Meeting Is two or more persons present holding Notes or voting certificates or being a proxy or proxies end holding or representing in the eggregate not less than a clear mejority of the principal emount of the Notes for the time being outstanding. If within helf an hour from the time appointed for the Meeting e quorum is not present at the Meeting, the Meeting will be edjourned end the Extraordinary Resolution will be considered at an edjourned Meeting (notice of which will be given to the Noteholders). The quorum required to consider the Extraordinary Resolution at such en adjourned Meeting will be two or more persons present in person holding one or more Notes or voting certificates or being e proxy or proxies whetever the principal emount of the Notes so held or represented by them.

Every question submitted to the Meeting or the adjourned Meeting will be decided on a show of hende unless e poll is duly demended by the Chairman of the Meeting or the Bank or by one or more persons present in person and holding one or more Notes or voting cartificates or being a proxy or proxies and holding or representing in the aggregate not less than one-fiftieth of the principal amount of the Notes than outstanding. On a show of hands every person who is present in person end produces a Note or voting cartificate or is e proxy shell have one vote. On e poll every person who is an opresent shall have one vote in respect of every A\$1,000 principal amount of the Notes so produced or represented by the voting cartificate so produced or in respect of which he is a proxy. On e show of hands e declaration by the Chairman of the Meeting that a resolution has been carried or lost shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against euch resolution.

To be passed, the Extreordinery Resolution requires a majority in favour consisting of not less than three-quarters of the persons voting thereon upon a show of hands or, if a poll is duly damanded, than by e majority consisting of not less than three-querters of the votes given on auch poll. If passed, the Extraordinary Resolution will be binding upon all the Noteholders, whether or not present at euch Meeting and whether or not voting, end upon ell Couponholders.

AVAILABILITY OF DOCUMENTS

Copies of the Fiscal Agency Agreement may be Inspected, and copies of the Explanatory Statement, voting cartificates and other documents referred to above may be obtained, by Noteholders from the specified office of any of the Agents given below.

FISCAL AGENT Kredietbank S.A. Luxembourgeoise 43 Boulevard Royal, L-2955 Luxembourd

PAYING AGENTS Kredietbank N.V.

Arenbergstreat 7

ANZ Merchant Bank Limited.

This Notice has been epproved by an authorised person for the purposes of the Financial Services Act 1986.

Mandarin Oriental lifts profits

By Michael Marray in Hong Kong

MANDARIN Oriental International, the Hong Kong-based botel group within the Jardine Matbeson stable, yesterday reported a 30 per cent increase in profits after tax and minori-ties to HK\$145.1m (US\$18.6m) for the six months ended June

Extreordinary items of HK\$48.2m, resulting from the international placement of shares in The Oriental Bang-kok boosted attributable profits to HK\$193.2m.

An interim dividend of 8 cents per share has been

Mr Peter Tyrie, joint manag-ing director of the Mandarin Oriental Hotels operating company, said that the performance of the group's hotel in Singapore, where there has been a severe oversupply prob-lem, had improved considerably this year.

The Mandarin Oriental Hone Kong was doing well and both room rates and occupancy levels in The Oriental Bangkok were ahead of expectations, he added. The group holds a 45 per cent stake in The Oriental Bangkok, which was listed in Thailand earlier this year.

Arbuthnot Latham

Finance B.V.

Guaranteed Floating Rate Notes due 1992

been established at 83/4 per cent. per annum.

will be made against the relative coupon.

In accordance with the provisions of the Notes, notice is hereby given that the rate of interest for the period

from 26th September, 1988 to 28th March, 1989 has

The interest payment date will be 28th March, 1989. Payment which will amount to US \$222.40 per Note,

Bank of America International Limited

US \$30,000,000

Mr . Tyrie estimated that overseas profits now accounted for more than 20 per cent of total group profits.

Mandarin Oriental was hived off from the Hongkong Land

group in the middle of 1987 but has so far found it difficult to fulfil its stated ambition expanding into gateway cities in Europe and North

In April, the group raised HK\$254m by a placement to Jardine Strategic Holdings, which increased its stake in Mandarin Oriental from 35 to 41 per cent.

AMENDED NOTICE

Girozentrale und Benk der österreichischen Sparkessen Aktiengesellschaft

openese Yen 10,000,000,000 losting Rate Notes due 1995

For the six months

19th September 1988 to 20th March 1989

to 20th March 1999
In accordance with the provisions of the Notes, notice is hearby given that the rare of interest has been fixed at 5.15 per cent: per annum, and that the interest psyable on the interest Psymon Date 20th March 1989 against Coupon No. 1 will be Yen 2.567.945 per Yen 100,000,000 Note.

Eni International Bank Limited U.S. \$200,000,000 Guaranteed Floating Rate Notes due 1993 Unconditionally and irrevocably guaranteed by

CFR unveils issue terms

COMPAGNIE Financière initial offering which opens

Ente Nazionale Idrocarburi In accordance with the terms and conditions of the Notes, the rate of interest for the interest period September 23, 1988 to December 23, 1988 has been fixed at 8%6% per annum. Interest payable on December 23, 1988 will be US\$210.12 per Note

of US\$10,000. : Agent Morgan Guaranty Trust Company of New York
London Branch

Marine Midland Bank N.A. U.S. \$125,000,000

Floating Rate Subordinated Capital Notes due 1996 For the three months 21st September, 1988 to 21st December, 1988 the Notes will carry an interest rate of 81/6% per annum with a coupon amount of U.S. \$213.28 per U.S. \$10,000 Note and U.S. \$1,066.41 per U.S. \$50,000 Note. The relevant interest

nt date will be 21st December, 1988. Listed on the London Stock Exchange

Bankers Trust Company, London

Agent Bank

SPONSORED SECURITIES

	-	_				rest.	
-	L₽₩	Company	Price	Change	dia (b)	%	P/1
	185	Ass. Brit. Ind. Ordinary	235	0	27	3.7	8.0
235		Ass. Brit. lod. CULS	235	0	10.0	4.3	
40	25	The same restaurant and the same of the sa	37	0	-	-	
57	37	aaa Design group I USM)	37	0	2.1	5.5	5.9
171	155	Bardon Group	171	0	3.3	19	24.
115	100	Bardon Group Coay, Pref	115	Ŏ	6.7	5.8	
148	130	Bray Technologies	132	+1	5.2	3.9	9.
114	100	Bremhill Cosy. Pref	110	0	11.0	10.0	
287	246	CCL Group Ordinary	285	ō	12.3	4.3	4.
162	124	CCL Group 11% Conv.Pref	162	0	14.7	91	-
151	129	Carbo Pic (SE)	149	ō	6.1	43	33
113	100	Carbo 7.5% Pref (SE)	112	ō	10.3	9.2	-
317	147	George Biair	317	ŏ	12.0	3.8	7.
101	60	Isis Group	101	ŏ		3.6	13
118	87	Jackson Group (SE)	110	ŏ	3.4	3.1	
350	245	Might Rouse NV (AnistSE)	340	ŏ			12.
115	40	Robert Jeakins	115m	+1	7.5		_
430	124	Scruttons	415			6.5	4.
275	194	Torday & Carlisle	275	0	8.0	1.9	37.
96	56	Trevian Holdings (USM)	2/3 82	0	7.7	25	
113	100			0	27	3.3	8.
298	203	W.S Yeates	708	0	20	7.4	
670	حدے	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	298	0	16.2	5.4	57.

These Securities are dealt in strictly on a matched bargain basis. Neither Granville & Co nor Granville Davies Lid are market makers in these securities

Granville & Co. Ltd. 8 Lovet Lane, London EC3R 8EF Telephone 01-621 1212 ember of TSA

8 Lovai Lanc, London ECSR 88P Telephone 01-621 1212 Member of the Stock Exchange & TSA

The Board of Directors, convened on 19th September 1988, appainted Mr Lindsay OWEN-JONES Chairman and Chief Executive officer of L'OREAL ond confirmed Mr Marc LADREIT de LACHARRIERE's position os Executive Vice President and member of the Board of Directors.

Mr Charles ZVIAK, who was Chairman of L'OREAL since 1984, had announced last year that he did not wish to continue os Choirmon after September 1988.

The Boord of Directors expressed their warm thanks to Mr Charles ZVIAK for having continued the work undertoken by Mr Eugène SCHUELLER and Mr François DALLE of the head of L'OREAL, the world leader in cosmetics.



INTERNATIONAL CAPITAL MARKETS AND COMPANIES

The state of the s Swiss issue schedule

By Our Euromarkets Staff

nuscle

to the second se

्राप्त सम्बद्धाः स्टब्स्

- Page 25 by School of Constalls

III base

the but

A STATE OF THE STA

art. Aspec

4 P 成长

. y. Cent to =

2000年11年2日

25,000,000

** *** *** ***

A 1979

27. 28 C

Link î inita 🚓

100 100

 $\mathbb{R}^{n+1}(\overline{\sigma})^{(n)}$ $\mathcal{L}_{\mathcal{A}} = \mathcal{L}_{\mathcal{A}}(X^{n})$

OREAL

er:(RE3)

250

sue tems

back a:

TO NO.

Language Language Language

THE WORLD BANK has established a programme under which it can make unlimited short-term borrowings in Swiss francs, the agency's first diversification out of dollars in that maturity. Because the borrowings will be in book-entry form, no secu-rities will be issued to inves-tors, thus avoiding Swiss stamp duty. Stamp duty, which is 0.2 or 0.3 per cent, has hin-dered the development of a market in short-term securities such as commercial paper in Switzerland.

The format is similar to that used by the Swiss Government for its own issues of short-term for its own issues of short-term securities, which resemble non-bank fiduciary deposits.

The programme, to he offered through Swiss Bank Corporation (SBC), will be known as "Cope" — continuously offered payment rights in Swiss francs — and will allow for borrowings of one, two, three and six months maturity. three and six months maturity. Other maturities of up to one year will be made available to investors in certain circum-

They will be offered in denominations of SFr100,000. Because they are issued by a non-resident institution, Cops will also be free of withholding.

So far, the World Bank is only the second institution to use the book entry format to borrow short-term funds in Switzerland. In March, Unilever, the Anglo-Dutch foods and detergent group, launched the prototype for Cops. SBC said there will be no

secondary market in Cops, atthough it will use its "com-mercially reasonable" efforts to identify new buyers. Still, offi-cials at SBC said that the absence of liquidity should not be as great a deterrent in creat-ing demand for the securities because of their very short-term nature. The lack of liquidity in medium-term note facilities, for instance, has limited the appeal of those securities to investors.

The World Bank said that Cops will complement its exist-ing borrowings in Swiss francs, which currently total SFr17.5bn before swaps.

Australian SE to speed

By Our Financial Staff

of a new and faster share transfer system, the joint Federal State Ministerial Council for Companies and Securities

islation should be amended to ensure an effective pilot run of the Anetralian Stock Exchange's proposed flexible accelerated securities transfer system (Fast), according to Mr Chris Sumner, the council'e

seeks fresh efforts on debt crisis

By William Duliforce

THE INDUSTRIAL countries in the Organisation for Economic Co-operation and Development should make another con-certed effort to solve the international debt crisis, Mr Robert Smith, chairman and chief executive of American Express Bank (AEB), said yesterday.

Such a programme would require leadership from Washington. This was unlikely to ington. This was unlikely to emerge during the presidential election, but at some stage the new US administration had to get the debt problem settled. Mr Smith urged.

Several developing countries could not service their current debts. The debt had to be cut, but the onus could not be put out the course of the reserved the reserved to the course of the reserved to the r

on the commercial banks

The AEB chairman was responding to recent calls for debt cancellation, including one for a 30 per cent write-off of commercial bank debt from the United Nations Conference on Trade and Development. Commercial banks could not

go on lending to developing countries — as they were expected to do under the debt plan launched by Mr James Baker, the US Treasury Secretary, three years ago.

They could provide self-liquidating finance but the international agencies would have

to come up with the long-term funding.

ARB has reduced its Third World debt from \$2.5bn to \$1.1bn, of which \$300m is short-term and is still being serviced. It has sold \$350m of debt at an average of 50 cents on the dollar and has swapped debt for equity in Latin America to the tune of \$250m.

Now however it has not a

Now, however, it has put a cap on debt-equity swaps at 10 per cent of its portfolio, AEB intends to run down the rest of its Third World debt "in an orderly fashion" over the next

World Bank sets up Amex Bank Bell South Capital launches \$120m straight By Dominique Jackson 10 US companies by market The borrower has been consid-

THE SUCCESS of a new

five-year \$120m bond launched yesterday for a unit of Bell South, the US communications group, neatly illustrated that it is still possible to issue a correctly pitched dollar straight on to a market regarded hy many as congested.

A single issue each in Australian and Canadian dollars

and in Euromarks provided the only other highlights of the primary markets. Secondary markets were generally quiet with dealers citing the meet-ings of the International Monetary Fund, World Bank and the Group of Seven industrialised countries as a subduing factor. Morgan Stanley International was the lead manager on the deal for Bell South Capital Funding Corporation, the fin-ancing arm for the company's non-regulated subsidiaries,

mainly those engaged in the development of cellular communications and in overseas consultancy to international telecommunications companies. There is a support agreement between the parent com-pany and the horrower. Existing domestic borrowings and medium-term notes have a triple-A rating from Standard

The lead manager said the borrower is ranked in the top

capitalisation, alongside other familiar Euromarket names ouch as IBM and General Motors, and is the only one of these which has not previously

tapped the Eurobond market.
The issue carried a 9% per cent coupon and was priced at 101% which offered a yield margin at launch of 48 basis points on a semi-annual basis. This was considered attractive and should ensure a fair degree of enthusiasm for any subsequent issues. Initial demand was brisk and

the issue was bid at a discount of 1.30, slipping later to 1.35, a level still comfortably within its total fees. Tuesday'e \$100m deal for Lincoln National via CSFB was

also cited as a well-pitched deal and saw continued good interest, bid at a discount of 1.30. The timing of yesterday's A\$40m three-year issue for the Australian Trade Commission took the market aback. Merrill Lynch was the lead manager on the issue which carried a 13% per cent coupon and was priced at 101%, for a spread of around 80 hasis points over comparable Australian govern-

This is Austrade's third Eurobond market offering; the previous two were led by ANZ.

ment bonds.

oring this third issue for some time and a number of houses were said to have bid for the mandate on the deal which carries a Commonwealth of Australia guarantee.

However, the first two issues Were not well-received and it was felt the latest deal would not do much to improve the

borrower's profile. The choice of Merrill Lynch,

INTERNATIONAL BONDS

not a house renowned for its Australian dollar placement capabilities, as lead manager was attributed to the ingenuity of the swap package, underlining the ever-growing impor-tance of hehind-the-scenes financial engineering to the primary Eurobond market. Sector specialists also looked

askance at the timing of the issue as the secondary Australian dollar markets have not performed well of late, while the usually steady Continental retail demand for the currency has been diverted to the Canadian dollar sector which is enjoying a return to popularity on the back of the US dollar sector's current huoyancy. However, the borrower apparently had preseing requirements to raise this amount of medium-term funds.

The Canadian dollar was apparently one option considered by the borrower but subsequently turned down. The lead manager said that the Australian dollar sector was considered more appropriate for the relatively small issue amount. However, other sector specialists pointed out that the sector is now far more mature and that such small issues are becoming increasingly difficult to market.

Nevertheless, the co-lead group on the issue comprises three European banks, all well-known for their developed retail network. The issue ended the day locked at a hid of less 14 equal to its total fees.

Bank of Mootreal Capital

Markets led a C\$75m two-year
issue for the Singapore branch

of its parent bank. The issue carries a coupoo of 10% per cent and io priced at 101%. Demand from Europe was reported to be steady and the deal finished the day hid at a discount equal to its total fees. WestLB was the lead man-ager on a DM150m for Assinag. the Austrian state motorway financing body. The 10-year issue carries a 6 per cent cou-

bond found favour with institutional investors, largely due to its state guarantee and it was trading within its fees. Some ewitching out of seasoned Austria issues was detected to take advantage of the yield pick-up. Seasoned West German gov-

ernment bonds saw small net gains in fairly active trading, buoyed by the firmer tone to the Treasury market although the stronger dollar limited

in the Euromark sector, retail investors were seen regaining their interest and several older, high yielding issues rose. The most recent 62 per cent federal government bond was fixed 15 basis points higher at 101.3.

Credit Suisse led a SFT100m six-year convertible issue for Mitsubishi Mining and Cement on which the coupon is indi-cated at 's per cent.

Handelsbank Natwest was the lead manager on another convertible, a SFriom six-year deal for Kasoi Kogyo a car interior manufacturer affiliated to Nissan Motors. This is the first such deal for about six weeks not to offer an investor put option. This was compensated for with a much higher indicated coupon of 3 per cent. It was hid at a discount of 214 in the grey market.

up share transfer system

the second quarter of 1989, he said. Mr Summer, who is the attorney-general of South Aus-tralia, said the current system of share transfer had been sub-THE AUSTRALIAN Companies Act and Code will be amended to allow for early introduction ject to considerable criticism. The present system is notori-ous for its slowness and has made some foreign stockbro-

said yesterday.

The Council decided the leg-

chairman. Fifteen listed companies have so far agreed to participate in a pilot run of Fast in

By Haig Simonian in Frankfurt

A STEP-BY-STEP timetable has now been drawn up by the backers of the Deutsche Ter-min Boerse (DTB), West Ger-many's planned new imancial futures and options exchange, to enable it open on time in December 1989.

According to the draft time-table, the exchange should effectively be ready by Septem-ber next year. That will allow member banks and brokers a member banks and brokers a three-month "dry run" to pre-pare themselves for the exchange's offical start of trad-ing at the end of next year. Three separate classes of membership are envisaged. "General clearing members"

will be allowed to clear con-tracts for themselves or for other members which have not applied for a clearing licence. "Direct clearing members" will only he entitled to clear for their own account, while ordinary exchange members will have no clearing status.

The exchange is likely to have between 10 and 20 market makers, according to Mr Rolf Brener, the Deutsche Bank board member closely associated hy the project, with 20 likely to be the absolute maxi-

German futures exchange plans dry run

mum. According to Mr Thomas Fischer, the DTB project manager at Arthur Andersen, the international accounting and consultancy group which has done much of the preparatory work for the new exchange, members will have to initiate their DTB project teams by next month

That should allow sufficent time to assess their requirements, notably for the essential computer hardware required to trade on the new computer-based market. According to Mr Fischer's key dates, equipment will have to be ordered from Digital Equip-ment Corporation of the US by next January at the latest if

the project's timing is not to be jeopardised. Trading software will be provided by the DTB

Training will be all-important on the new exchange, as few German hanke have domestic experience of futures and options beyond the limited equity options now available on German bourses. Moreover, computer based trading will also be an entirely new depar-ture for those hitherto used to trading on the stock exchagne

Thus the draft timetable envisages a lengthy training period between next April and Angust, during which members' own efforts will be sup-plemented by training pro-vided by the DTB itself.

However, personnel and the lack of trained staff is "one of the most difficult problems' for the DTB, according to Mr Breuer. It is likely that some

members of the new exchange

will have to hire experienced staff from ahroad until the level of home-grown expertise increases.

"We're starting from zero at least for personnel," he said recently. Thue there is "oo other alternative" to hringing in expertise from ahroad. Deut-sche Bank itself has recently hired Mr Hans-Henning Tons mann, formerly a director of Euroclear in Brussels, to play a leading role in its own planned

participation on the DTB.

Meanwhile, the exchange itself has appointed a chief executive, Mr Jörg Franke, cur-rently chief executive of the

Berlin bourse, and it is now looking to recruit further. Mr Franke is spending increasingly more time in Frankfurt, where the DTB project team already is based, and

Indian state bank taps NY paper market

By Our Financial Staff

THE State Bank of India (SBI) has issued commercial paper for \$200m on the New York money market, An official said yesterday that the paper ranged from one to nine months maturity and that Goldman Sachs had heen appointed dealer.
The state-owned bank is the

first Indian institution to issue commercial paper in the US, It plans to use the funds for its overseas operations, mainly in North America, SBI was rated A2 by Standard & Poor's and

P1 by Moody's.

The commercial paper was issued by SBI International Finance, a subsidiary set up specifically for the purpose in the state of Delaware where tax benefits are available.

the exchange has even recently appointed a public relations company. Charles Barker, to help handle its requirements.

An SBI official said clearance had been obtained from the New York Securities and Exchange Commission.

FT INTERNATIONAL BOND SERVICE

kers reluctant to deal in Australian shares, local brokers

Mr Summer said the council also agreed the release of a

new draft bill on share buy-

backs. At present, Australian companies can buy their own.

shares back hut must either

sell or cancel them within 12

and regulators have said.

Listed are the latest international bonds for which there is an adequate secondary market US DOLLAR
STRAIGHTS
Abbry National 72-92.
All pippon Air 91-97 97.
All pippon Air 91-97 98.
Amer. Brands 82-92.
Br ANTHER STRAMSTE

Albery Nat. PS. 101-93 \$.

Alg. & Med. 51-92 FL.

Anter Bank 61-92 FL.

British Armys 10-96 \$.

C. I. B. C. Mort 1.01-93 CS.

Coop. Cr. Rabo. 64-93 FL.

Eastrian Rodal; 13-90 AS.

Elica Franca 1.01-95 CS.

Eliration 71-93 CS.

Cillette Can. 91-93 CS.

Mac. Chas. Fin. 14-90 AS.

Halifax BS 100-19-98 CS.

Not. Midd. Bante 6-92 FL.

New Zealand 71-93 ECU.

Gesters. Kilik. 133-93 AS.

Pradential Fin. 91-91-95 CS.

Socialistic News 91-93 CS.

Socialistic News 91-93 CS.

Socialistic News 91-93 CS.

News John Bis. Soci. 101-98 CS.

Socialistic News 91-93 CS.

News John Bis. Soci. 101-98 CS.

Socialistic News 91-93 CS.

News John Bis. Soci. 101-98 CS.

Socialistic News 91-93 CS.

News John Bis. 101-99 GS.

Socialistic News 91-99

Forsmark Nrg.

Japan Pev. Bk. 5% 93.

Japan Pev. Bk. 5% 93.

Japan Floanne 5% 97.

Ireland 6% 97.

Korea Dev 2K 6% 93.

Malaysta 6% 94.

Malaysta 6% 94.

Malaysta 6% 95.

Malaysta 6% 95.

Malaysta 6% 95.

Portingal 5% 95.

Portingal 5% 92.

Portingal 5% 95.

Portingal 6% 95.

Portingal 6% 95.

Soc Cant Nuclear 7% 93.

Turkey 6% 95. WEN-JONES SWIBS FROM SWIBS FROM SWIBS FROM SWIBS FROM SWIBS FOR SWIBS FOR SWIBS FROM SWIPS FROM SW

| World Bank 13% 92 AS | 100 | 10010 | 10012 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 101 | 1

* No information available-previous day's price † Only one market maker supplied a price

Strong debut for Denmark's option exchange By Our Financial Staff

DENMARK'S OPTIONS and futures market got away to a successful start yesterday, registering contracts totalling DKr247m (US\$20.5m) in nominal value registered, according to the Guarantee Fund for Options and Futures. The fund, which acts as a

clearing honse for the new market, said it registered 247 contracts by 34 dealers, operating through a telephone mar-ket and open ontery at the Copenhagen stock exchange. "In view of the limited instruments available, turnover at the market start may be seen as promising," the fund said. First registration took place 16 seconds after the markers official opening time

Most dealing was in futures for the benchmark 9 per cent, 18-year government bond, for which call options were also available. Contracts were traded to October 3, 1988 and January 2, 1989. The Danish bond market

ranks among the 10 largest in the world with an annual turnover last year of DKr5,500bn. About two-thirds of this turnover was in the 9 per cent, 18-year benchmark state issue. The market is to be expan-ded as soon as possible. The instrument to be introduced will be a index contract.

Spanish rating

THE Kingdom of Spain's \$1.9bn of foreign bonds have been assigned a double-A credit rating by Standard & Poor's, the New York agency, writes Our Financial Staff.

The A-1+ short term ratings on the Kingdom's Euro and US commercial paper programmes were also affirmed. Standard & Poor's said the ratings reflected Spain's stable politi-cal environment, strong exter-nal financial position and improved economic prospects, largely stemming from integra-tion with the European Community.

NZ bonds tender

THE New Zealand Government is to raise NZ\$300m (US\$183m) at next week's tender in three and five-year bonds, writes Our Financial Staff. Coupen on the 1991 offering is 11.0 per cent and 10 per cent on the 1993 issue. The tender is the last planned within the Government's 1988-89 debt pro-



Profit up 30%

Earnings per share up 26%

 HK\$254 million raised by share place Mandarin Oriental, Hong Kong voted "Best Hotel" by

Euromoney; The Oriental, Bangkok voted "Best Hotel of the Year" by Executive Travel

"The outlook for the remainder of 1988 is encouraging with continued strong tourism and business travel forecast in our major markets."

SIMON KESWICK, Chairman Hong Kong, 22nd September 1988

Mandario Ottental International Limited Incorporated in Bermuda with limited liability 281 Gloucester Road, Causeway Bay, Hong Kong

A member of the Jerdine Matte

1987 341.0 124.9	753.3 265.0
124.9	
	265.0
16.1	
	43.0
141.0	308.0
(21.3)	(42.6)
(81)	(20.6)
111.6	244.8
111.6	244.6
-	-
111.6	244.6
18,2¢	39.9¢ 14.0¢
	111.6 18.24

MANDARIN ORIENTAL* THE WORLD'S FINEST HOTELS

Increase your yield through Private Banking

Invest-Loan

Through an Invest-Loan you can borrow from the Bank up to four times your own capital. By way of example, if you deposit a sum of USD 25,000, the Bank

will lend you a further USD 100,000 by raising a loan oo your behalf, in a low-interest currency (i.e. DEM or CHF). The total amount of USD 125,000 would theo be invested in one or more high-yielding forms of investment. Your gross profit is the difference between the interest earned oo your investments, and the interest payable on your loan.

Your net profit might be higher or lower, depending oo market movements; io extreme conditions, the yield might even be oegative. With a current fiveyear term, Jyske Bank's Invest-Loan is a form of investment which offers considerable loog-term potential.



Private Banking

Vesterbrogade 9, DK-1501 Copenhagen V., Denmark. Tel.: +45 1 21 22 22

Private Banking

Jyske Bank offers various types of investment through its Private Banking (International) Department, including high-yielding accounts in all major currencies, Euro-boods, shares, and Dan-Certificates. The additional benefits are:

 No Danish taxes No charges for maintaining an account

 A fast and efficient service · A wealth of experience in

dealing with international customers from more than 150 countries throughout the

Please send further information :	
Name	
Strect	
Postal Code City	
Country	
Telephone	205 403

CB FINANCE COMPANY B.V.

Amsterdam, The Netherlands

DM 300,000,000 6% Deutsche Mark Bearer Bonds of 1988/1993

> irrevocably and unconditionally guaranteed by COMMERZBANK AKTIENGESELLSCHAFT

Issue Price: 1001/1% Interest: 6% p.a., payable annually in arrears on September 23 Redemption: on September 23, 1993 at par Denomination: DM 1,000 and DM 10,000 · Listing: Frankfurt Stock Exchange

COMMERZBANK

INTERNATIONAL COMPANIES AND FINANCE

Canadian cable group expands in Europe

By Raymond Snoddy

VIDEOTRON, Canada's second largest cable operator, plans to introdoce a wide range of two way services in its first cable investment in the UK - a 45 per cent stake in Southamp-

Mr Andre Chagnon, chief executive of Videotron, said yesterday many of services that had helped to win more than 1m cable subscribers in Canada would be introduced in Southampton although not in

southampton although not in precisely the same form.

As well as having around 40 channels of television viewers, the company claimed yesterday that subscribers would be allowed to choose which camera they wished to view through and to be the producer. through and to be the producer

of their own programmes.
Southampton, using Videotroo's computerised technology
would also be offering local
estate agency services, video games, monitored dating services, home security, free classified advertisements and metering of utilities such as

electricity and gas.
Mr Chagnon said yesterday
he believed it was possible to
achieve Canadian levels of cable subscription in the UK. In Quebec, Videotron gets subscription levels approaching 75 per cent. At the moment the

per cent. At the moment the similar figure for the UK is closer to 14 per cent.

Mr Chagnon was speaking yesterday as Southampton announced it had successfully completed a £30.5m (\$51m) financial package, put together by PaineWebber International, two years after being awarded the franchise.

Videotron and Compagnie General des Eaux of France will each hold 45 per cent of the voting shares in the company with the remainder retained by the initial UK investors in the venture.

On top of an equity invest-ment of £10.5m, the First National Bank of Boston has put up a £20m deht package, the bank's first major involvement in cable in the UK.

Reed unit buys book club stake from Bertelsmann

Octopus, which was the largest independent UK publisher until its acquisition by Reed for £535m (\$883m) in July 1987, is acquiring the interest from Bertelsmann, the West German with label and the first from \$1.000 to \$1.000 t publishing group, for £52m.

The purchase, which is conditional on the deal not being

referred to the Monopolles and Mergers Commission (MMC), brings to an end a lengthy and complicated saga centred on the disposal of the holding. BCA was formed in the mid-

1960s by W.H. Smith, the UK

mann also proposed, as part of a complex deal, to sell 50 per cent of its other British off-shoot, Leisure Circle — the UK's second largest book club

to Les Preses.
This, however, provoked
MMC intervention, and in
August the W.H. Smith stake
in BCA was sold to Bertelsmann itself for DOm. At the

OCTOPUS Publishing, now a wholly-owned subsidiary of Reed International, the UK publishing group, yesterday emerged as the buyer of a 50 per cent share in Book Club Associates, Britain's biggest book club.

Octopus, which was the largest independent UK publisher until its acquisition by Reed for £535m (\$883m) in July 1987, is acquiring the interest from except to say that it was a mat-ter for negotiation. Octobus, he added, had been interested in acquiring the holding for about

BCA, which has about 2m members, made pre-tax profits of £8.775m in the 13 months to May 28. Turnover was in excess of E80m. Chairmanship of BCA will be held by each partner on a rolling annual basis, with Mr Hamlyn taking up the post first.

Stock-indexed unit trust launch in UK

By Clive Wolman in London

trust which is designed to track the UK stock market index is to be launched on October 10 by Royal Life Fund Management, a subsidiary of Powel I if a Holdings Royal Life Holdings.

The fund will invest in the

shares of all 709 companies that make up the FT-Actuaries All-Share Index in proportion to their precise weighting so that the returns on the fund will replicate those from the index, which is the broadest measure of the performance of the UK stock market.

Over the last five years, there has been mounting criti-cism of traditional investment managers as more than 80 per cent of them have consistently achieved lower returns from their active stock selection than would have been achieved by investing passively in the entire index. As a result sev-eral pension funds have redirected some of their money into passive index-tracking funds since 1984 and in the US more than \$200bn is invested

in such funds, However, the Royal Life fund will be the first open to a wider able to pool their money together in an authorised unit

INVESTORS in Britain have still not recovered their confi-

dence in equity investment

after the stock market collapse

last October.
Figures issued yesterday by

the Unit Trust Association

show that net new investment in unit trusts last month

amounted to just £94.5m (\$158m) against £110.7m in July and well below the monthly

average net investment so far

this year.
Unit trust marketing managers have adopted various means to rekindle investor

interest in equities.

There is still a steady stream of new funds coming on the market, both UK and overseas

based. The groups emphasise that low share markets offer

fund managers ample opportu-nity for buying undervalued

However, to date, the major-ity of investors this year have preferred the safety of building

society deposits for their

The August figures for build-

Hoogovens and

By Nick Garnett in London

HOOGOVENS, the Dutch steelmaker and Italsider of Italy have decided to join a

research programme set up by British Steel designed to cut costly coke consumption in

The two continental European producers will each con-

tribute £1m and some technical personnel to the project which overall is costing £8.4m

British Steel is already well

British Steel is already well advanced on pilot projects for the injection of oxygen and granulated coal directly into blast furnaces.

What is claimed to be the first granulated coal injection system is operated by British Steel at Scuuthorne

Steel at Scunthorpe.
In a trial scheme at Scun-

thorpe, oxygen has been added to the coal injection system.

British Steel said that a full

scale productioo trial was now

being set up at one of the two smaller blast furnaces at Tees

British Steel said the use of

granulated coal has helped to reduce the coke burned at

Scunthorpe by 20 per cent. Adding oxygen will bring total savings of up to 50 per cent.

Italsider in

blast furnaces.

(\$10.6m).

research deal

The fund will be run in con-junction with Mr David by regulatory obstacles.

Investor interest in stocks

still hit by market crash

THE FIRST authorised unit Damant of Paribas Asset Management who was the first to offer a facility for passively tracking a stock market index in the UK 11 years ago. Mr Damant is currently responsi-ble for advising on the execu-tion of deals in the shares making np the index for assets worth about 2600m (\$1bn) managed by Frank Russell, the international pension fund con-

sultancy firm. The minimum investment in the fund is \$250,000 which will make it suitable for small pen-sion funds, charities and other trusts and wealthy individuals. The maximum entry charge is about 6 per cent, although for investors who by-pass brokers and other intermediaries the charge will be only about 3 per cent falling to 2 per cent for larger investments. The annual management charge is 0.3 per cent, compared with more than 1 per cent for most unit trusts.

Royal Life is itself investing about £300m of its £6bn of assets in the fund which will ensure that it is able to exploit economies of scale when buying and selling the smaller company shares. Royal Life was also planning to launch a facility for small investors to put money into the fund, but the initiative has been delayed.

ing society net investment, published today are again expected to exceed £1bn — a

value that has been exceeded

in every successive month since last November with the

This time last year, unit trusts were riding on the crest of a buyers wave with unit

trust purchases exceeding £1bn a month and net investment in

units exceeding that in build-ing societies.

In contrast, net new invest

ment so far in 1968 has still not

reached the £1bn level amount

ing to £976m by the end of August. In the first eight months of last year net new

investment amounted to

The actual unit sales - the

amount of units bought by investors - totalled £472.3m in August, the lowest sales figure

£4.7bn

exception of January.

Stromsdal buys board maker

By Clay Harris in London

STROMSDAL, the Finnish forest products group, has paid just over fim (\$1.67m)to buy coated board_manufacturer Witchampton Boardmills from Price Waterhouse, appointed in July as receiver. The Dorset-based company

The Dorset-based company was bought by management in 1984, saving it from planned closure by G-P Inveresk, part of Georgia Pacific of the US. Stromsdal's mill at Ruopio has amusal capacity of 40,000 tonnes of paper board, while Witchampton's annual capacity is 10,000 tonnes.

Mr Martin Pitfield, appointed Witchampton's

appointed Witchampton's managing director by Stroms-dal, said yesterday he expected employment to be close to the pre-receivership level of 60.

McAlpine wins £130m Thames contract

By Peter Marsh In London.

SIR ROBERT McAlpine, the British construction company, has been awarded a £130m management contract to con-vert Battersea_Power Station in nouth London into a £200m (\$334m) leisure centre.

The power station, on a 77 hectare site next to the Thames river, is to be made into a series of halls and galleries which will house a theatre and other entertainments. tre and other entertainments. station with a direct link to Victoria Station and parking for 2,200 cars. An existing jetty at the site is to be refurbished and there are to be new bridge links across the river.

Generali boosts earnings 15%

ASSICURAZIONI Generali, Italy's largest insurance com-pany, reported yesterday that parent company gross carnings rose to L291.3bn (\$207m)in the first half of 1968, up 15.6 per cent from L251.9bn a year earlier, AP-DJ

reports. The company said that based on the economic results so far this year, it expects net profit for the full year to top last year's L254.2bn. Italian companies don't report net results on a half year basis. Gross premium income rose to L2,500bn in the opening half of this year from L2,086bn

since last October. At this level, unit trust sales to end-August amounted to \$5.1bn - half the value of sales for the corresponding period last year of £10.1bn.

NOTICE OF REDEMPTION

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT Washington, D. C. ("IBRD")

IBRD 8.4% Japanese Ven Bonds of 1982 Due 1994 (Sixteenth Series) (the "Bonds")

We hereby notify holders of the above Bonds that on October 25 1988, the entire outstanding amount of the Bonds is to be re-deemed as follows: (a) pursuant to Condition 15 of the Bonds deemed as mandatory redemption obligation of 1.6 billion yen (mandatory redemption price: 100%) and (b) pursuant to Condition 17 of the Bonds by IBRD exercising an optional redemption right of 18.4 billion yen (optional redemption price)

The numbers of Bonds selected by drawing for the ma redemption of 1.6 billion yen are as follows: Denomination (Yen)

381-477 1-73, 1617-1677 10,000,000 The numbers of Bonds shown below are to be redeemed with

price at 103% as optional redemption of 18.4 billion yen. 1,000,000 1-191, 1822-20260 1-380, 478-1204

Paying Agents:

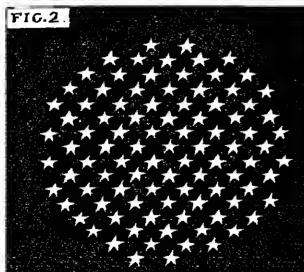
With respect to definitive bonds, the principal of and interest on the Bonds is payable at any of the paying agents mentioned thereon. With respect to recorded bonds, the payment shall be made at the paying agent designated in the application for the recording on the bonds

The Industrial Bank of Japan, Limited as Representative Commissioned Company for the Bonds 23rd September, 1988

THE WAY YOU SEE EUROPE DEPENDS ON WHO YOU ARE.

From the outside, Europe can be seen simply as an emerging political entity (see fig. 1). But as most businessmen know, on the inside it's a vibrant economic





community packed with places generating a lot of business (see fig. 2). So if you fly for business we think you should fly with people who fly for the businessman: Air France. With 94 destinations in Europe alone we not only regularly go where everybody else does, but also to places nobody gives a second thought to until they have to go there. In fact, we fly to more cities in Europe than any other airline. And if that isn't enough incentive for you to fly with us, fly with us for our service. You'll find that it also rates a few stars.

THE FINE ART OF FLYING AIR FRANCE

UK COMPANY NEWS

Thriving construction sector provides backing for improvement

RMC rises 60% to £86m mid-way

stromsdal

mys board

CIRY Harris of Lag.

the free water the free water to the free water

manager to the part of the par

Samuel Sell SE

4 15 hal (2020) 6

State of the Page

Dure danier bes

Service bien

Ic Alpine nin

130m Thame

y Poter Marshmith

in a real water

the first feet fact.

a three

William and a state of ... Die German krot Sa waste i nesse establis

್ರೀ ಕಾಗಿ ಅಮ್ಮಾಡಿಕ್

er in the sign of M.C.

· cucrah bos

ontract

naker

RMC, the world's largest was due partly to the fact that producer of ready-mixed continuous for the correspondcrete, benefited from the mild winter in Northern Europe and improved trading conditions for its subsidiaries on the Contiment to boost pre-tax profits from £53.7m to £86.2m during the six months to June 30.

This 60 per cent improvement was achieved after a rise in turnover from £818.5m to £992.4m, which reflected growth in volumes from all major areas of operation.

Earnings per share were 58 per cent up at 24.7p (15.6p) and the interim dividend was lifted improvement during the half ing period were hit by the impact of poor weather condi-tions.

Directors said the recent

favourable weather conditions had brought forward work which normally would have been carried out during the second half. As a result, these latest results were likely to constitute an abnormally large proportion of the year's total.

The thriving UK construc-

tion sector provided the back-ing for the overall group improvement. Apart from higher sales of ready-mixed concrete and aggregates, DIY operations through the Great Mills subsidiary, also made an

The operating profit from UK operations rose from 233.8m to £52m.

The milder weather helped the company take full advantage of the more buoyant trading conditions in West Germany, its other major area. Weakness in the country's con-struction market had acted as a brake to growth in the previ-ous first half. Operating profits from West German operations advanced

In Spain and France, the other principal Enropean operations, recent expansion programmes allowed the company to participate more fully in brighter trading conditions.

The company does not pro-vide a break down in contributions from France and Spain. However, they returned well over half of the £25.5m derived from sources listed as "other countries." This compares with a £18.1m return in 1987.

The US activities, which were doubled last January through the purchase of a joint stake in a venture with the Lone Star group for £29.5m, returned a reduced contribu-

However, directors said that the venture with Lone Star returned figures in line with those expected at time of the

Spring Ram heads for ninth record year

SPRING RAM, the ambitions kitchen and bathroom group, is on course for its ninth successive record year, after raising pre-tax profits by 54 per cent to \$6.8m in the first half.

The company began trading in 1980 as a manufacturer of acrylic baths. It has since expanded rapidly to become a leading player in both the bathroom and kitchen mar-

Mr Bill Rooney, chairman said that in the interim period the group had "continued to prosper" in established mar-kets and had benefited from the introduction of new prod-

Turnover rose to £38.1m (£29.1m) in the six months to July 2. Earnings per share increased to 5.7p (4.2p). The interim dividend is increased

to 0.2p (0.18p).

Spring Ram has invested 214m in production facilities at its base in Scunthorpe. This additional capacity will be used to produce Chippendals Kitchens, which will be pitched above its two established ranges when launched next

Mr Rooney said Chippendale was expected to double the group's current 14 per cent share of the kitchen market within the next three years. The Next Dimension kitchen

range for the mass market is already being manufactured at Scanthorpe for sale through D-I-Y outlets. Spring Ram's strategy so far has been to introduce three separate ranges for the kitchen and bathroom, thereby covering all but the very highest and very lowest market sec-tors. It has also broadened its portfolio by launching products like tiles, tape and domes-tic applicances to co-ordinate

with the basic units.

The company plans to diver-sify into other areas of the home through investment in extra capacity and by acquisi-tion. It currently has no gear-

In recent months it has also in recent months it has also strengthened its export team and has introduced new products specially designed for export markets. The objective is to boost the proportion of sales generated overseas from 5 per cent now to 20 per cent by the early 1990s.

Mr. Rooney described the

Mr Rooney described the outlook for the second half and for next year as "particularly

Brent Walker boosts Local London stake

By Paul Cheeseright, Property Correspondent

BRENT WALKER, the acquisitive leisure group headed by Mr George Walker, yesterday mounted a teatime raid on the shares of Local London Group and, for around film, boosted its stake to 14.9

Local London is a property company which itself expended rapidly last year. It specialises in business centres but also has a 25.3 per cent share of the UK's largest marina opera-

the second section of

The question of a full bid for Local London remains open, Brent Walker said. There was no response yesterday from Local London to the share pur-

James Capel, stockbrokers acting for Brent Walker, moved into the market at about four o'clock, offering 550p apiece for Local London shares and quickly accumulated just over 2m. The price was a premium of

130p over Local London's clos-

ing price on Wednesday, but compared with the 735p at which Local London staged a rights issue just before Octo-ber's market crash.

Yesterday evening, Local London shares closed at 535p, a rise of 115p on the day. Brent Walker shares closed 7p lower at 359p, while Marina Develop-ment responded to the news with a 33p rise to 388p.

Before James Capel moved into the market, Brent Walker

had 4.9 per cent of Local London acquired at between 400p

and 550p per share. The Local London stake is the latest in a stream of acqui-sitions and development plans recently announced by Brent

Walker. These included the Elstree film studios, the Lyceum and the Trocadero in London's West Rnd. WonderWorld near Corby, and a string of pubs from Grand Metropolitan. Local London last week

announced interim pre-tax profits, boosted by a series of property sales, of £5.5m.

Filofax first half fortunes fade

By Philip Coggan

THE TIMING was unfortunate On the day when Mr Jeffrey Archer's works first appeared in Filofax form, the personal organiser company revealed it had earned "not a penny more, but £126,000 less" in the six months to June 30 than it had in the first half last year.

The new "Filofiction" series
- launched by Octopus under
licence from Filofax - is only
the latest giunnick in the personal organiser's 60 year-old

But the profits fall raises the question of whether a whole series of journalistic cliches will have to be rewritten.

For the past few years, "Fil-ofax", "Yupple" and "Porsche" have been the inseparable buz-zwords in a thousand articles about materialistic young peo-ple in Thatcher's Britain. The result has been a lot of free publicity for the Filofax group.

Has the fad come to an end? Not according to Mr David Collischon, Filofax chairman, although he admits that "it would be unrealistic to expec the same rate of growth in the UK market as experienced over recent years". The first of a range of new products, Desk-fax, has been launched.

Mr Collischon was mr Collischon was unabsched by the fall in profits to £318,000, pointing out that the bulk of the group's profits are made in the second half.

The shortfall was caused by the fast take-up of the group's new point-of-sale units, which are expensive to install, a move to a new distribution centre and a strengthening of

Overseas sales are still forging ahead except in Japan. There are 200 different Japanese personal organiser systems and the competition there caused Filotax sales to fall by around 50 per cent.

Earnings per share fell to 1.4p (2p), The interim dividend is unchanged at 0.75p.

The markets reacted like another title in the Filofiction range - James Herbert's "The Rats"- knocking 13p off the share price to 118p.

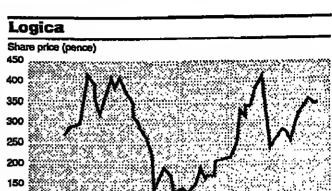
Strong growth at Logica brings 30% advance

LOGICA, the UK software and systems group, achieved a 30 per cent increase in pre-tax profits in its last financial year, largely due to strong growth in the financial services market and demand for software systems from established computer manufactur-

The advance in these sectors outweighed a downturn of about 10 per cent in the com-pany's defence business and a static performance in its space-related activities, which were hit by the Government's withdrawal from several space projects. Other parts of Logi-ca's operations, such as soft-ware for the energy industry and the utilities, registered turnover increases of about 10 per cent, Mr Philip Hughes, chairman, said yesterday.

Pre-tax profits for the year to the end of June amounted to £14.7m against £11.3m in 1987, while consolidated turnover saw an increase of 23 per cent to £124m from £101m. After-tax profits came to £9.3m compared to £7.1m, leaving earnings per share at 18.1p against 14.4p. The directors are proposing a final dividend of 1.6p per share, giving total dividends for the year of 2.3p compared

The results included a three months' contribution from



1983 Data Architects of the US, which has been merged into Logica's existing American operations since its acquisition

few months ago. Although the Data Architects' results have not been broken out separately. Mr Hughes said that the US group had performed in line with expectations, and that it had not had a detrimental effect on

group earnings per share.

Pre-tax profit margins rose
sharply during the year to 11.9
per cent on sales from 11.2 per cent in the previous 12 months, reflecting a steady increase over the past few years. Mr Hughes attributed the rise to a mixture of an increasing ratio of higher value added work

and cost controls At the year end, about 25 per cent of the group's octivities were in the financial sector, where Logica claims to bave been relatively insulated from the downswing in Stock Mar-ket activity by its concentration on work for the clearing hanks. Sales in this sector grew by 27 per cent last year.

Work on software for the big computer groups amounted to 17 per cent of total sales, following a 37 per cent jump in sales last year. Mr Hughes said that this business now seemed to have established itself as a permanent aspect of the group's activities.

Central 28% ahead and upholds advertising share

By Flona Thompson

CENTRAL INDEPENDENT Television, the IBA contractor for the Midlands, increased pre-tax profits by 28 per cent from £7.06m to £9.07m in the six months to June 30 1988. Earnings per share rose from 17.2p to 22.1p.

Turnover increased by 8 per cent to £113,88m against £105.28m in the same period last year, and Central maintained its market share of advertising revenue at 14.3 per

Central is the second largest ITV company in terms of revenne, after Thames, and the leading seven day contractor. "Advertising revenue is con-tinuing at a high level and results for the year should be satisfactory", said Mr David Justham, chairman.

Central has recently concluded a series of agreements on changed working practices and joh reductions with a num-ber of unions. "We are on course to reach our aim of making savings of £4m annually by 1989," said Mr Leslie Hill, managing director. Negotiations will continue for a year or two.

The tax charge rose from £2,58m to £3.4m. An interim dividend of 6p (5p) was

Multitone Electronics loss rises to £0.75m

Multitone Electronics, which rehuffed a £12m takeover approach from Blick last January, yesterday reported an increased loss of £746,000 in the year ended March 31 1988, against £436,000, reflecting a deficit on North American operations of £770,000.

When announcing a reduced first half deficit the directors indicated that the ontlook was improving and that full year results would be satisfactory.

The directors said yesterday that action taken, plus the large order book, should lead to a return to profitability in the current year. The dividend is again 0.1p

This announcement appears as a matter of record only. s or a property street or a series of the se

July, 1988

Oval (387) Limited

has acquired the industrial businesses of

Hollis Industries plc

£94,300,000

Multicurrency Term & Revolving Credit and Bonding Facility

Bankers Trust International Limited

Funds provided by

Bankers Trust Company

The Chase Manhattan Bank, N.A.

Bank of America NT & SA

The Long-Term Credit Bank of Japan, Limited

Banque Française du Commerce Extérieur

Bankers Trust Company

July, 1988



Summit Property Investments Limited

a wholly-owned subsidiary of

The Summit Group plc

£37,500,000 Secured Term Loan

Arranged and Lead Managed by Bankers Trust Company

> Managed by NMB Bank

Barclays Bank PLC

Bayerische Vereinsbank Aktiengesellschaft

Lloyds Bank plc

The Long-Term Credit Bank of Japan, Limited Midland Bank plc



Bankers Trust Company

THE BID FOR CONSOLIDATED GOLD FIELDS

Income flow and reserves make ARC a main attraction

AT CONSOLIDATED Gold UK's total consumption. However, ARC will not all that glisters. Among its figure in financial arguments and the bid an that gusters. Among its crown jewels — one of only two operations which Minorco has said it would definitely keep if its £2.5m takeover hid succeeds — is ARC, a leading producer of construction materials in Britain and the US.

ARC, formerly called Amey Roadstone, contributed operating profits of £98m in the year to June, more than 40 per cent of Gold Fields' total excluding

the proceeds of disposals. But the annual income flow from ARC is only a small part of its attraction. Most of its UK reserves were bought 15 to years ago and are still in Gold Fields' books at acquisition

Especially valuable are limestone deposits in the Mendip Hills in north Somerset and in

They are close and linked by rail to the main growth mar-kets in the UK. Most impor-tantly, ARC has planning per-mission to exploit them, an almost price ess advantage in an increasingly preservationist

Having moved into aggregates in the late 1960s with the acquisition of St Ives Sand and Gravel and Amalgamated Roadstone, Gold Fields made its big step in 1972 with the takeover of Amey Group. In the 1980s, ARC has bought

Bath and Portland Group giving it access to the home quarries of two of the most historic names in quality building stone – and the Midlands sand and gravel interests of Blue

ARC and Tarmac each have about 20 per cent of the UK market for aggregates crushed stone and sand and gravel - nearly twice as much as RMC, their nearest rival. ARC is also the largest UK manufacturer of concrete pipe

and concrete bricks, is second to RTC in pre-mix concrete and second to Tarmac in bitumen-

coated stone. In the US, it is the fifth largest aggregates producer. Its main business in the Midwest is supplemented by operations in Las Vegas and near Seattle. ARC's Hydro Conduit subsidiary is the leading US manufac-

However, ARC will not only during the bid.

It is at the centre of Gold Fields' contention that ownership by Minorco — where the South African Anglo American own 40.9 per cent - must be bad for business.

ad for business. With Gold Fields' South African investments, ARC already



Keith Orrell-Jones: disinvestment would 'take

has problems enough with anti-apartheid campaigners and Labour-controlled local councils.

In most cases, according to ARC, it has argued successfully on the grounds that it has no South African investments itself. The same tack has also worked in the US, where, for example, ARC had to defend its position before the Los Angeles city council.

Under Britain'e 1988 Local Government Act, councils must concern themselves only with financial and technical criteria when awarding contracts. Political tests are forbid-

This may mean only that discrimination may become more The problem that we have

is proving the point," says Mr Keith Orrell-Jones, ARC chief executive. Tarmac sold its last South

African quarry in June, a move it insists was unrelated to anti-apartheid protests it had also faced, but one which turer of concrete pipes, supply-ing more each year than the compared with its main rival.

Turnover (£m)

Dividend

some donhts whether the South African Government would step in, as it has in past recessions for gold, to provide recessions for gold, to provide financial support for the coun-

old and the cost of dig-ging it out of the ground played a signif-icant part in Anglo American's decision to bid for Consoli-dated Gold Fields via Minorco, its Luyembourg offshoot try's high cost mines. Opinion is divided about whether an oversupply of gold whether an oversuppy or gold will develop. For example, last year the supply of gold to the market in the non-Communist world, both newly-mined metal world, both newly-mined metal and from scrap, was just more than 2,000 tonnes. That exceeded demand for fabrica-tion, by the jewellery industry mainly, and for hoarding by 144 tonnes. Optimists point out that the surplus was easily absorbed by investors in absorbed hy investors in Europe and North America.

However, doom-mongers point out that between 1985 and 1938, the mining industry, encouraged by relatively high prices, spent \$3.2bn on new capacity to bring on stream an extra 238 tonnes of annual gold production, equivalent to nearly one fifth of total Western world output in 1986.
Not only that, most of the

new gold is coming from mines in North American or Austra-lia where costs are relatively low, often between \$200 and **Gold Production Cost Curve** been able to match this perfor-mance and many industry Cumulative frequency (% of total gold production) average cash cost of production \$305 per Fields' average cosh

cost of production

\$177 per ounce

Anglo American defends against low gold prices

The group produces more than any other company, but its costs are higher. Kenneth Gooding reports

The trend is illustrated by statistics which show that last

year gold supplied from South African mines fell by just more than 5 per cent from the 1986 level to 607 tonnes. US production rose 31 per cent to 155 tonnes. Canadian ontput increased by 14 per cent to 120 tonnes and production in Ans-

tralia was up 44 per cent to 108

Gold Fields not only has some of the lowest cost gold mines in South Africa but also has euccessfully built up a portfolio of properties in North America, Australia and Papua New Guinea, a country which is rapidly becoming a major watchers believe the bid for Gold Fields is in line with the South African group's strategy of huying working mines rather than searching for new

Angle American has not

It is clear, however, that Anglo American's declared intention - should its bid suc-ceed - to sell off Gold Fields' remaining shareholding in Gold Fields of South Africa (GFSA) as well as Gold Fields' other lucrative South African mines and to reduce its shareholding in Newmont Mining in the US, does not fit in with this picture of a company in search of low-cost gold.

Newmont is a prime example of the new breed of mining companies. Newmont Gold, its 90 per cent-owned subsidiary. has massive reserves on the Carlin Trend in Nevada, the richest gold deposit outside South Africa and one the company expects to recover at a cash cost of about \$200 an

Angle American's proposed disposals can easily be explained. To start with, the

Consolidated Gold Fields

South African Government:
would be unlikely to permit
the absorption of GFSA into
the Anglo American empire
because of the luga concentration of mining and industrial
power already in the hands of
the Oppenheimer family which
controls Anglo.
Politics must also play a pert
in the proposal to sell some of

والمتعاري والمتأذه أأنهم والمراوا والمستعار والمنتان والمتعار والمتعار والمتعارب والمتعارب

in the proposal to sell some of the Newmont shares. Newmont Gold has the biggest declared gold reserves of any US company and seems likely to become the major producer in the US in the early 1990s. The prospect of it coming under South African control could cause a political rumpus in the

Many observers believe Newmont is unlikely to be allowed to slip completely out of the Anglo American net. Mr. Rob Davies, an analyst with Shearson Lehman Hutton, suggests Anglo American could sell some of the Newmont shares to other US companies within its orbit, for example, to Inspiration Resources, 42 per cent-owned by Minorco and which already has Western Gold Exploration and Hudson Bay Mining among its subsidiaries.

Links with UK companies in spotlight

By Clare Pearson

its Luxembourg offshoot. Anglo produces more gold than any other company in the

world, about 50 per cent more than Gold Fields. But Gold

Fields makes more profit from its yellow metal.

This is because Anglo American's cash cost of production

averages \$305 a troy ounce, far above the \$177 an ounce which

is the average for Gold Fields'

From another perspective, at a time of low gold prices, only about 20 per cent of the non-

Communist world's gold ont-put would in theory go out of production before Anglo Amer-ican's mines were under pres-

sure. But two-thirds of world output would have to disap-pear before Gold Fields felt the

This is an important consid-

eration for two reasons.

Firstly, some observers believe

there will be a glut of gold in future which will drive down

prices, and secondly, there are

MINORCO'S BID for Consolidated Gold Fields could never have been seen as an isolated move. It has kindled speculation about the future of the intricate network of alliances built up by the Oppen-heimer family, for whom Minorco has acted as an overseas investment vehicle.

One area that that has been thrown into question is the chain that links Minorco in the UK to Charter Consolidated, the UK mining, manufacturing and investment group, and to Johnson Matthey, the precions metals technology company.

The sharp rise in shares of Charter and Johnson Matthey after the bid announcement signalled a wave of excitement that the value of their various assets might now be released. Andit is clearly possible to dream up a whole range of dif-ferent ways by which the current arrangement could be reorganised so as to fit in with the aims of Minorco and Anglo American.

The existing arrangement

has its roots in the colonial past and to many has long

looked a candidate for a rethink.

The historical links are highly complex: for instance, Mr Neil Clarke, Charter'e chief executive, sits on the boards of both Minorco and Johnson Matthey – as well as being a non-executive director of Gold

These days, the shareholdings work like this: Minorco holds 36 per cent of Charter, which itself has a residual stake in Minorco of 3.8 per cent Charters etake in John cent. Charter's stake in Johnson Matthey - which, under a special dispensation from takeover rules, is allowed to increase by 2 per cent each year without making a bid currently stands at 38 per cent.
Johnson Matthey is in turn
linked back to Anglo American cause it has the sole contract to refine platinum from the company's South African Rus-

tenburg mine. Two facets immediately come to mind in the wake of Sir Michael Edwardes' plans to build Minorco into an actively managed, high quality natural resources group.

One is that the lacklustre stock market rating assigned to Charter, whose other interests include a majority stake in Cape Industries, the industrial contracting and building prod-ucts company, means that Charter in its present form almost certainly does not live up to Sir Michael'e criteria for

actory investments. The other is that Johnson Matthey'e platinum refining business, from which it derives a substantial perpertion of its profits, is of such strategic aportance to Anglo American that most observers cannot imagine the company wanting to lose hold of it.

With the directors of all the companies battening down the hatches while the battle lines between Minorco and Gold Fields are being laid out, any plans are likely to remain a matter for wild speculation.

But one related development worth pondering in the meantime is the 6.3 per cent stake in Johnson Matthey which Cookson Group, the specialist met-als and chemicals concern, surprised the market by picking

up earlier this year.

The move seemed puzzling at the time because Matthey's strong links with Charter, which provided finance for it at the time of the Bank of England's rescue of its bankir side, appeared to make it bid-proof.

One possible answer is a break-up of Johnson Mathhey, with the platimum side going to Anglo American (or one of its associates such as Minorco), and Cookson taking the rest.

But though the fit between

Cookson and many of the parts of Johnson Matthey — materials technology, precious metals, catalysts, and printing — looks striking, Cookson may have made its move merely on the control of the control o the suspicion something was afoot in the Anglo American

If so, it must have achieved a significant profit on its invest-ment. Just before Cookson announced it had built up its stake, Johnson Matthey's shares were hovering around 300p. Yesterday they closed at

SIGN OF INFORMED OPTIONS TRADING.

THE CHART demonstrates the est in Consolidated Gold Fields ehares since the start of August and how specifically that interest was focused on the likelihood of a takeover bid before late October, writes Clive Wolman.

The share price rose from a low of 975p on September 1 to 1,078p on Tuesday during a period when the price of gold and the price of the other gold mining companies was falling

But the real tell-tale sign of informed speculative trading is shown in the price of the series of call options on Gold Fields shares which are due to expire on October 26, in particular the 1,100p options which offer the highest gearing. These options would probably have expired as worthless if no bid had materialised by that date, as the share price was still 22p below the option exercise price

on Tuesday.

On August 30, the 1,100p options stood at 17p but thereafter rose eteadily to 35p a week ago before shooting up to 76p on the day before Wednesday's bid. The Black-Scholes model, which indicates the correct option wice in relation to rect option price in relation to the share price, suggested that by Tuesday the 1,100p October

extent of the speculative inter-

1100p Oct. call options price

Open interest in 1100p Oct. call octions ('000 contracts)

September 1988 21

options should have been priced at around 40p.
Even more significant was
the volume of trading in the 1,100 options. The number of contracts held by participants, the "open interest," rose from only around 500 in July and early August to 4,300 contracts

Newmont may lose white knight guard NEWMONT MINING, once one of North America's premier diversified mining houses, will move soon from the 36th floor sidiary which holds its most

Profit contribution, year to June 1988 - Ownership percentages

as at year end Total Pre-tax profits 2302.4m

of New York's prestige Pan Am building to offices in Deriver more appropriate to its narrower vision and straightened circumstances.

To compound its problems, it its white knight if Minorco wins control of Consolidated Gold Fields and fulfils its threat to sell some or all of Gold Fields' 49.7 per cent stake in Newmont.

Wall Street is unclear how the gold titans' battle raging in London will ultimately affect Newmont. Its stock and that of its Newmont Gold subsidiary were virtually unchanged in early trading yesterday at \$36 and \$34 respectively. The move to Colorado, and

indirectly the Minorco offer, reflect Newmont's deep trou-bles stemming in part from an abortive \$65a takeover attempt last year by Mr T. Boone Pick-ens, the Texas corporate

To fight him off. Newmont burrowed heavily to pay \$2.2bn in special dividends to its shareholders. It also accepted Gold Fields raising its stake to

Gold Fields raising its stake to a near majority, strengthening a relationship which began when the UK group bought into the company in 1961. Although Newmont has managed to whittle the debt down to \$1.50n, the borrowings still exceed its assets, and debt service is eating profits alive. Its shares have been selling at

valuable assets.
Disturbed that the low insp-

ket rating made not only Newmont but also Gold Fields more vulnerable to takeover, management of the US group has moved rapidly in recent months to boost Newmont's value. Additional pressure for action also clearly came from Gold Fields. Newmont is shrinking itself

to a gold and coal producer; giving up its last ambitions to be a diversified resources group. It has sold its position in Magma Copper, the last foothed in the princes! as which hold in the mineral on which Newmont'e fortune was founded. It has sold its oil and gas assets in the US and in the North Sea, the latter this week for \$234m to Clyde Petrole The surviving core consists of half of Peabody Holdings, the largest US coal producer, the majority of an Anstralian gold producer and, best of all, a huge stake in new Nevada-gold. acreage which could make it soon the largest gold producer

in the US. in the US.

The stock market has yet.
fully to value Newmont on the
basis of huge gold profits to
come, hence the takeover
attempt by Mr Pickens and in
part Minorco'e interest in Gold
fields. Although Minorco said
it might sell some or all of its
Newmont Mining stake, Wall
Street was wondering if it
might try to keen Newmont might try to keep Newmont Gold for itself.

Unionists hit at 'apartheid beneficiaries'

By Jim Jones In Johannesburg

LEFTWING trade unionists in South Africa declare a plague south Africa declare a plague on all the mining houses. While mining executives espouse liberal views in public, detractors argue that the gold companies benefit uniformly from racial segregation, cheap labour and a comparatively non-unionised workforce.

Taken in isolation, that view is correct. However, in the

is correct. However, in the racially-charged South African context, some houses stand out as forces for change more than others. The contrast between

others. The contrast between the Anglo American group and Gold Fields of South Africa (GFSA), the last British-controlled house, is marked.

When black mining unions were legalised five years ago, Anglo permitted union membership and provided facilities for union meetings and officials. About 83,000 or 55 per cent of its black gold miners are members of a union.

are members of a union.

GFSA has resolutely deterred hlack unions from recruiting on its mines. During restricting on its mines. During negotiations with other houses on setting wages for the industry, its approach is based on awarding skilled miners increases which recognise their scarcity. Anglo and its associated was a property of the control o ates generally award greater percentage increases to the lower paid.

ON THE day of the Minoreo Md, Mr Gavin Relly, chairman of Anglo American, was addressing a West German audience on the dangers for South Africa if more interna-Under the Minorco offer, Gold Fields would sell its 38 per cent in Gold Fields of

Last year, however, more than half Anglo's gold produc-tion was halted during a threeweek strike by 300,000 black miners, while GFSA's mines were virtually unaffected. The stoppage brought violence into the black mine compounds as union men battled with others wanting to work.

harder line and when talks failed to bring about a settle-ment, Anglo ended the dispute by dismissing thousands of strikers. They were sent back to their homes and, according to some independent observers, hlacklisted by mineowners
The dismissals enfeebled the
black National Union of Mineworkers. Its membership dropped by about 80,000 an has only recently recovered to

its 350,000 pre-strike tally.

Conditions on the mines paint a stark picture of apartheid in action. Last year, the

South Africa, which owns the country's two richest gold. However, Mr Relly denied during questions that this added up to disinvestment. He drew a distinction between a purely financial transaction and one which "cut off the sin-

Chamber of Mines, the employ-ers' body, stopped publishing details of black and white wages. But in round figures, the average black miner earns. R470 (£113.50) a month, less than one-fifth of his white colague's average pay. Working conditions are more

ews of technology."

dangerous for blacks than for whites. The fatality rate per thousand black employees is about 2.5 times that of whites. The mining companies argue that black wages are supplemented by free accommodation, food and recreational facilities. But this, the union replies, costs far less than if blacks were given the subsi-dised family housing provided to white minare

to white miners.
Most black miners are migrant workers who live in single-sex compounds on the mine and send their wages home to their families, most of whom live in impoverished

rural areas and are wholly dependent on the breadwinner. Black wages have been rising at a greater rate, and blacks could soon move into the better paid supervisory underground jobs until recently reserved for whites. Anglo has trained a few himdred men for these jobs but bureaucracy still obstructs their appointment.

Conditions are unlikely to change materially in the near future. None of the mining houses has a black executive director on its board, though some, including Anglo, have appointed blacks to non-executive positions. The boards of GFSA and its mines are all white.

Last year, Anglo began handing ont shares to its employees. Kvaryone working for the group'e mines and industrial companies was offered five free Anglo shares over each of the next five

About two-thirds of the group's workforce signed up to accept, and those who did recently received a dividend cheque for R8.13 — not much, but the start of an exercise Anglo believes necessary. Anglo believes necessary to persuade black workers that private enterprise does not

Year to 1987 1988 1987

STRONG FIRST-HALF RESULTS

FROM APV

Profit before tax (£m) 21-0 16-2 40.7 Earnings per share 10.3p

374

1-8p

298

1.6p

704

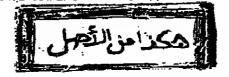
Trading results in the first six months of 1988 showed a substantial improvement. The flow of new orders continued at a high level throughout the period and order prospects for the second half of this year indicate a good start for 1989. A Market conditions are expected to remain favourable in all the group's main areas of operations during the second half of 1988. A This period should also see the virtual completion of the restructuring programme and a strengthening of the balance sheet, leaving the group well positioned for further profitable growth in 1989.

From the interim statement by the Chairman, Sir Ronald McIntosh KCB.

The world's food engineers.



4·2p



UK COMPANY NEWS

FKB in £52m expansion with three acquisitions

By Ray Bashford

FKB GROUP has made another drive into the domestic and international sales promotion business with three acquis-tions which could have a total price tag of £51.9m.

The company also announced that it plans to raise £144m net through the issue of 6m ordinary shares at 258p, compared with a closing price of 260p. The shares have been placed with institutional investors but sbareholders have the right to claw-back the

-

+

A A

** :

it quard

er of the state of

1 00 00 00000

William Birth

1.056 M

: 725

. 1.4 %

shares on a three-for-ten basis. The three acquisitions have an initial price of £17.7m, comprising £15.9m cash and loan notes and £1.8m in ordinary shares. Each deal carries an earn-out clause which could lift the total consideration of

51.9m. payments will be made beed on ACC's profits until the end of

ACC, a Manhattan-based mar-keting services group with an Over the Counter listing and DAD, a Nashville direct mail and marketing group.

FKB last March signalled its

intension to move heavily into the US as part of an interna-tional expansion when it made four acquisitions for £33.7m. Directors said that these earlier acquisitions had been fully integrated and that they are achieving expected perfor-mance levels.

FKB is aiming to achieve half of group income during the the "foreseeable future" from US operations, directors said. The maximum purchase price for ACC is \$52.5m (£31.4m) after an initial payment of \$5.5m. The additional

The company's clients include Bacardi, Citicorp and Quaker and during the year to December 31 the group made pre-tax profits of \$3.3m on a turnover of \$24m.

Terms of the DAD purchase push the total price up to a possible \$53m after an initial \$8.4m cash and \$2.1m in FKB shares. DAD's last annual pre-tax profits were \$1.9m on a \$7m

The British purchase is of BBM, a Bristol-based packag-ing and display design groun the total consideration could be £7.5m from a first stage payment of £2.1m. com-prising £1.6m in cash and the remainder in FKB shares BBM's pre-tax profits for

1987 were £419,000 on a turn-over of £1.9m.

Rockware advances to £4.5m

By Clare Pearson

ROCKWARE GROUP, the bottle manufacturing company which announced last week that Mr John Biffen, a former Cabinet Minister, was joining the board, increased pre-tax profits by 59 per cent to £4.56m in the six-months to end-June. Turnover rose from £72.43m to £87.30m.

Sir Peter Parker, chairman, said the 1988 outlook for the group, which also has interests in paper and printing and plastics, was encouraging against the background of a sustained-recovery in the European mar-ket for glass containers. Helped by greater capacity utilisation from two new furnaces, the glass division lifted operating profits to £2.11m (£1.72m). Within the paper and print-

ing division, operating profits were sharply higher at £1.3m (£742,000). The figure included a contribution from three business form companies bought in the second half of 1987. Plastics, where profits were

held back last year by research

and development spending, suffered this year from rising raw materials costs. The division provided operating profits of £819,000 (£776,000) on turnover of £14.24m (£10.49m). The minority stake held by Whea-ton Industries was bought out for £1.2m in July.

With small contributions from engineering and sales of technical services, and after central costs, operating profits totalled £3.93m (£3.08m), There was a £1.27m (£669,000) exceptional credit, mainly relating to reduced contributions to pension schemes. Interest charges fell to £761,000 (£989,000). - A £3m debenture has been

Earnings per share came out at 2.94p (2p). The interim divi-dend is set at 1p (0.365p).

Until somebody invents a really cost-effective non-glass jam jar or instant coffee con-

tainer, the current equilibrium in the glass industry should continue. Not wishing to miss out on it. Rockware wants to be stronger in this area, but less dependent on it. Glass infact provided the dynamism behind these figures, as improvements in productivity came through But from next year its contribution is likely to stabilise as the company resumes the treadmill of rebuilding its furnaces, and more reliance will be placed on the companies brought in as part of the diversification strat-egy. These are not without their vulnerabilities, as the downturn in plastics margins shows; paper and printing put in a solid performance this time, although the core of the division, the Ken Stokes Group, has proved somewhat disappointing in the past. A prospective multiple of 9 or a little more, assuming pre-tax profits of between £11.5m and £12m for the current year, seems about right.

Profits strengthen in property

By Paul Cheeseright, Property Correspondent

THE TREND towards sharply increased profits among the quoted companies of chartered surveyors and estate agents was accentuated yesterday when both Connells and Herring Son & Daw announced interim rises of 50.2 per cent.

and 90 per cent respectively.

The strength of the commerthrough both in terms of the commissions the companies have been earning on leasing from their professional work

such as rating and valuation. Meanwhile, tbc larger unquoted surveying practices and the smaller quoted practices with access to capital from the market have been

expanding through takeovers. A succession of acquisitions, largely of companies specialising in a particular geographical or professional area, has enlarged the commercial side of Connells business.

With the recent purchase of Shearer Harris, retail property specialists, the group is now CLSMIDE 1

commercial property.

Herring Son & Daw, which received a listing last May, has two sets of negotiations running that might lead to a new acquisition. And this month Savills, in its first purchase since its listing in July, has acquired Davies and Millett, building surveyors, while de Morgan acquired Retail Group,

		<u> </u>
BOARD M	EETINGS	·
have notified dates to Stouk Exchange. By held for the pur- ends. Official indica- as to whether the flushs and the sub- re-based mainly on	Chartmarch Early's of Walkiey Merdin (Albert) PML Plomb Self Cowelle Triplewest Unigeth Well: Blake Bearne	Oct. 3 Sept.25 Oct. 5 Sept.30 Oct. 2 Sept.50 Nov. 15 Sept.26

a retail consultancy. Connells, which has the highest market capitalisation in the sector, lifted pre-tax profits to £4.96m (£3.3m) in the six months to end-June. Herring Son & Daw, in its first figures since quotation, had pre-tax profits of £939,000

The indications for the second balf, offered by the chair-men of the two companies, sug-

gest that the strong profits growth will continue. · These indications fit in with general estimates on the health of the commercial property sec-tor. Although there have been hints of consolidation in the City of London market, the outlook elsewhere is seen as

Meanwhile, Connells, after posting earnings per share of 16.14p for the first half is proposing an interim dividend of 3p; compared with 2.5p last time and total payments for 1987 of 8p. Herring Son & Daw had earnings per share of 6.83p and declared an interim divi-dend of 1.5p. Its dividend pay-ments for the year to January

WATMOUGHS (HOLDINGS)

Specialist printers of Sunday colour supplements, quality magazines, mail order catalogues and retail brochuses, packaging and financial documents

41% PROFIT GROWTH Results for the six months to 30th June

Kesme	o for me ary inquire	TO Som June	
	1988	1987	INCREASE
Profit before tax	£2-880m	£2-040m	41%
Group turnover	£26-468m	£24-432m	8%
Interim dividend	2-00p	1-67p*	20%
Earnings per share	12.59p	8.99p*	40%
*Adjusted for increased canits	I (1 for 5 serin issue)		

Extracts from Chairman's statement

Group profit before tax for the six months ended 30th June, 1988 increased by 41% to £2,880,000 reflecting a combination of the benefits from capital investment in the most advanced printing technology and a better balanced product range.

Outlook

All companies in the Group continue to enjoy excellent trading conditions. The Directors are confident that 1988 will be another record year for our Group.

INTERIM REPORT 1988

Shareholders' interim report available from the Secretary, Jason House, Hillam Road, Bradford, West Yorkshire BD2 1QN

Strong all-round growth lifts

STRONG growth in all of its three core areas lifted pre-tax profits at Baltic by 69 per cent from £3.2m to £5.4m in the six months to June 30. Turnover advanced by \$4 per cent from £12.42m to £22.89m.

Baltic 69%

Asset financing accounted for 66 per cent of operating profits with £6.56m. Property development provided 29 per cent with £3.24m and invest-ment services contributed

Mr Michael Goddard, chairman, said the interim results man, said the interim results reflected a portion of the profit from the disposal of the company's development in the London Docklands, the balance would be taken in the second half when building work would be completed and work would be completed and the tennant in occupation. The developments in Trafford Park and Tellord were expected to

be completed in 1989.

Property financing had seem a substantial increase in business and corporate investment activities continued to axpand as part of the company's objec-tive to produce higher returns

on shareholders' equity.

The interim dividend is raised 20 per cent to 1.44p (1.2p) on basic earnings per 5p share of 9.5p (8.2p).

Sharp growth at Micro Focus

Micro Pocus, computer software house, revealed a sharp expansion in pre-tax profits from £124,000 to £922,000 in the six months to

July 31.

The outcome was achieved on revenue 48 per cent higher at £10m. However, in dollar terms, the group's predominant trading currency, revenue grew by 54 per cent to \$17.1m (\$11.1m). Mr Paul O'Grady, chairman, attributed the groupth to positive results. the growth to positive results from the group's COBOL/2 strategy.

Earnings per 10p share worked through at 5.4p against 0.1p for the same period last year.

Antofagasta surges Antofagasta, industrial

holding company with a wide range of interests in Chile, has more than doubled its interim more than doubled his interim pre-tax profits in its centenary year. The result of £8.66m was boosted by a first-time contri-bution from the Michilla cop-per mine. The result for the first half of 1967 was £3.65m. Turnover surged to £18.94m (£4.91m). The interim dividend

is doubled to 4p to reduce further the disparity with the final. Earnings were 21.9p

Laidlaw Thomson

Laidlaw Thomson Group, USM-quoted architectural ironmonger, lifted taxable profits from £578,000 to £616,000 in the first half of 1988 on turnover 24 per cent higher at

Earnings per share declined to 5.91p (7.33p) and the interim dividend is set at 1.62p (1.54p).

Sindall at £437,000 William Sindall, building and civil engineering contractor, boosted pre-tax profits from £175,000 to £437,000 in the half year to end-June.

Turnover rose 29 per cent to £27.68m (£21.44m), and earnings per 5p share improved to 6.18p (2.7p). The interim dividend is lifted to 1p (0.8p).

Hornby growth

Interim pre-tax profits rose by 13 per cent from £483,000 to £546,009 at Hornby Group, USM-quoted toy and hobby product maker and distribu-

Turnover for the six months to June was 8 per cent shead at £8.99m (£8.49m). Histori-cally, the second half con-tained the bulk of turnover and profits. Mr Jack Strowger chairman, said.

Earnings per 5p share came ont at 4p (3.5p). As usual, there is no interim dividend.

Hampden Homecare Hampden Homecare, Belfast-based bome improve ment store operator, increased pre-tax profits from £436,000 to £437,000 for the 24 weeks ended June 18. Turnover was £8.87m compared with £8.06m.

The interim dividend is unchanged at 8.5p, payable from earnings per 18p share of 3.18p (2.84p). The company's shares are quoted on the USM.

T & S rises 34%

T & S Stores increased profits by 34 per cent and sales by 73 per cent in the 26 weeks to July. The pre-tax result for the period was £1.42m, against 21.06m. Turnover advanced from £37.01m to £64.1m. The interim dividend is raised to 1p (0.8p) on earnings per 5p share of 4.88p (3.912p).

Rationalised APV turns in 30% midway profit growth

By Philip Coggan

APV. the food and beverage processing equipment manu-facturer, yesterday announced a 30 per cent increase in pre-tax profits from £16.2m to £21m for the six months to June 30.

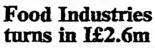
Last year, APV merged with Baker Perkins, the Peterborough-based engineering group, and briefly changed its name to APV-Baker.

It also ecquired Pasilac, the Danish dairy equipment com-

pany.
Following that purchase, the group was restructured sub-stantially into nine prime manufacturing subsidiaries and ten distribution units round the Mr Fred Smith, the chief

executive, said yesterday that a substantial amount of rationalisation had occurred with the group now occupying only 3m sq ft worldwide, compared with 5m sq ft earlier. All the subsdiaries are now profit-making, he added. The group's plate heat

exchanger manufacturing plant has been moved from Crawley in Sussex to North Carolina in the US, as part of its strategy of having key com-ponents made on both sides of the Atlantic.



Food Industries has achieved turnover of 1£49.98m and profit before tax of 1£2.57m (£2.2m) in the six months ended June 30

Control of this Dublin-based company was purchased by Goodman International a year ago, and it injected its nonmeat interests into it. Comparative turnover and

profits are shown as £2m and 192,000. The interim dividend is 1.3p (1.1p).
The directors expressed confidence that the rate of progress would be maintained for the rest of the year. Newly

acquired operations had been turned round and all divisions were operating profitably. In food storage loss-making

operations were closed.

Wm Morrison at £13.8m as stores rise to 40 for the foreseeable future.

IN SPITE OF a fall in operating margins, Bradford-based Wm Morrison Supermarkets increased pre-tax profits by more than 19 per cent, from £11.59m to £13.84m, in the six months ended July 30 1988.

Fred Smith: all subsidiaries

now operating profitably.

Property in Crawley is being sold, and together with the pro-ceeds of other disposals, that should result in a fall in gear-

ing below 50 per cent by the end of the year.

The group has produced, for the first time, a breakdown of

its profits and turnover relat-

ing to the industries it serves.

Biggest profits contribution came from liquid foods indus-

Turnover rose 24 per cent to £275.86m, with 16 per cent of that from new stores. 3 per cent from inflation and over 5 per cent from existing stores. Staff costs and overbeads were higher, and depreciation charge was up nearly 87 per cent reflecting new invest-

ment. Mr K Morrison, chairman, said capital expenditure in the period was £36m and a high level of spending will continue

At July 3t the group opereted from 40 stores with a total area of 1.2m sq ft, and the target of 50 stores by the end of 1990 will be achieved.

tries, which made £9.9m on

Dry foods earned £7.8m on

Group turnover for the half

was £374m (£298m). After tax of £6.9m (£6.1m), earnings per share were 4.8p (4.4p). The interim dividend is being

Food manufacturing may be a

mature market, but world

demand for food is unlikely to

fall and the pressure is on the

manufacturers to improve

their margins by using the best

processing equipment. That should be good news for APV, which already expects its end year order book to be £100m up

on last year. With a good go

graphical spread and with

rationalisation benefits coming through. APV is in a strong positioo; pre-tax profits of 552m this year would put the shares, up 5p to 121p yesterday.

on a prospective p/c of 10 but

that should fall to an attractive

8.5 if profits reach £62m next

increased to 1.6p (1.4p).

• COMMENT

£131m. and non-foods recorded

profits of £7.6m on turnover of

lo order to sustein the expansion, arrangements had been concluded to increase the multi option facility from £70m to £100m and also to set up a £100m sterling commercial paper programme.

Operating profit in the half year rose 11.5 per cent to

There was net interest receivable of £1.33m (£330,000). being interest copitalised £1.94m (£1.69m) less payable £610,000 (£1.36m).

Organic growth lifts **Close Bros** to £6.43m

ORGANIC growth in all its main divisions increased annual pre-tax profits at Close Brothers Group by 89 per cent from £3.41m to £6.43m.

Earnings per share for the group, which is involved in merchant banking and investment operations, rose 38 per cent from 7.99p (adjusted) to

10.99p. Total assets at the end of the year to July 31 1988 Were £193m (£121.2m) and 162p (127p)

per share. The directors said Close Asset Finance had a very strong first full year's trading, with £19m lent. Century Factors made record profits and corporate finance fees bad their twelfth successive annual

increase. Prompt, the insurance premium financing product, saw a

rapid increase. Also during the year there were £1.4m capital gains when the stock market fell 2t per cent, a £30m development capi-tal fund was launched and specialist operations began in the

UK mortgage market.

The directors propose to raise the final dividend to 3.35p (2.9p), for a total of 5p (4.4p).

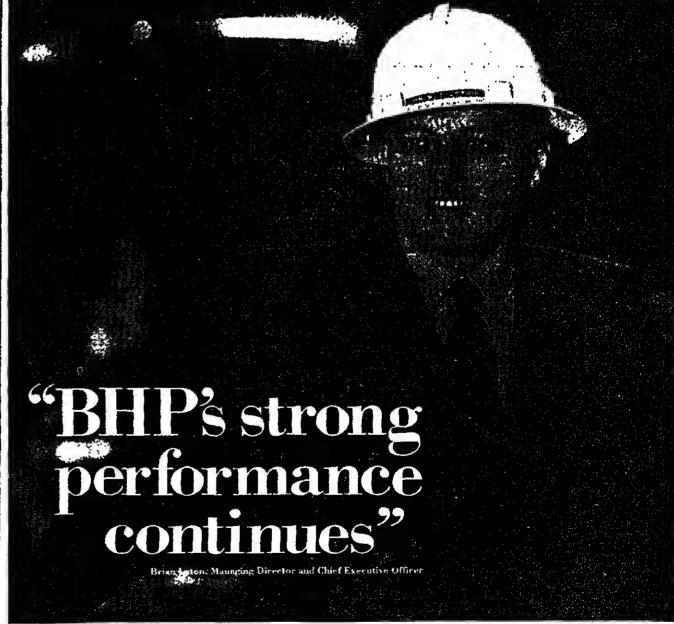
George Oliver flat

A marginally increased retailing deficit, reduced profits from property sales and higher interest charges resulted in sharply lower profits at George Oliver (Footwear) in the seasonally poor first half

Turnover rose 35 per cent to £41.39m, but pre-tax profits sank to £62,000 against £578,000 last time. The interim dividend is lifted to 2.6p (2.2p).

Bentalls up 14%

Bentalls, department store group, lifted pre-tax profits 14 per cent to £1.16m in the half year to July 30 1988. Turnover rose 7 per cent to £33m, Earnings were 1.67p (1.5p) and the interim dividend is 0.55p (0.5p).



First quarter earnings were 19 cents per share, up 28% over last year! Operating revenue was \$2611 million,

Group profit for the quarter, after minority interests and before extrao items, increased by 4% to \$243 million 17 EARNINGS PER SHARE

19 cens OPERATING REVENUE

DIVIDEND

The Directors are pleased to announce a November half year dividend of 17 cents a share fully franked. This compares favourably with the 15 cents a share paid previously and reflects an ongoing commit-ment to improve returns to shareholders.

PETROLEUM

Oil profits were strong despite lower average world oil prices in the quarter. An increase in Timor Sea crude oil production partly made up for declining production from

MINERALS

The quarter benefitted from higher prices for non-ferrous metals and increased production of gold. Lower Australian tax rates helped offset adverse exchange rate effects. Lower operating costs and interest expense also contributed.

STEEL

BHP is meeting its commitment to improve the productivity of the Steel Group. Better plant operations and modernisation have lowered costs and lifted both production and profitability.

CORPORATE ITEMS

Increased interest expense associated with the corporate restructure was partly offset by increased dividend receipts.

Reginess Unit contribution to Group profit T: Quarter ended Quarter ended August 1987 Petrole 101 80 Minerale 83 90 Steel

\$239 terests. HAU figures in SA.

WIM 9HF.

For further information, please contact Brian Belcher, BHP Investor Relations Department, 33 Cavendish Square, London

(11)

\$252



All-round

up to £7m

By Flone Thompson

BRIDON, Doncaster-based

wire rope manufacturer, yes-terday reported profits 35 per cent sheed at £7m for the six

cent shead at £7m for the six months to June 30.

The advance from £5.5m was made on sales of £168.5m, an 11 per cent rise on last year's £87.5m. Earnings per share rose from 5.5p to 8.5p.

All four divisions reported increased profits. British Ropes was the main contributor in the European division, which saw profits up from £7m.

which saw profits up from 22m to 22.4m, reflecting the better market for wire and pre-

stressed concrete strand for the construction industry.

Bridon

growth sees



INTERIM ANNOUNCEMENT

Half year to 30th June 1988

1988

1987

Financial Highlights

Turnover	£992.4m	£818.5m
Profit before Taxation	£86.2m	£53.7m
Earnings per share	24.7p	15.6p
Dividend	4.6p	3.5p

RMC Group p.l.c.

RMC House, High Street, Feltham, Middlesex TW13 4HA

Operating internationally in Austria, Belgium, France, Holland, Israel, Republic of Ireland, Spain, United Kingdom, USA and West Germany.



OSE ASSET FINANCE LIMITED

a subsidiary of

Close Brothers Group plc

£30,000,000

Revolving Credit Facility

arranged by

NM Rothschild & Sons Limited

Provided by

Bank of Scotland

Grindlays Bank plc

N M Rothschild & Sons Limited

TSB England & Wales plc

Kleinwort Benson Limited

Kredietbank N.V.

Yorkshire Bank PLC



NM Rothschild & Sons Limited

September, 1988



Trusthouse Forte PLC

Notice to the holders of the outstanding 41,225,000 Warrants to procure the subscription of Ordinary Shares of 25p each of Trusthouse Forte PLC

Notice is hereby given to the holders of the above Warrants that, at the adjourned meeting of such holders conveoed by the Norice of Meeting published in the Financial Times on 16th August, 1988 and held at 166 High Holborn, Loodon WC1V 6TT oo 2nd September, 1988, the Extraordinary Resolutioo permitting the Company to purchase its own Ordinary Shares was approved, as authorised by the Ordinary Shareholders at the Annual General Meeting held on 7th March, 1988.

TRUSTHOUSE FORTE PLC 23rd September, 1988

Registered Office: 166 High Holborn, Loodoo WCIV 6TT Registered in England No. 76230

UK COMPANY NEWS

Tank development and delayed disposals cut Vickers profit

VICKERS, diversified defence and luxury car manufacturer. yesterday reported a 3.9 per cent fall in pre-tax profits to £24.5m for the first half of the year. Earnings per share fell by 5.7 per cent to 6.6p.

Sir David Plastow, chairman, blamed the downturn on two factors: the cost of funding the development of the Challenger 2 tank, which Vickers hopes will replace the British Army's ageing fleet of Chieffain tanks, and the unexpectedly long time it took to dispose of the group's interests in furniture.

Although the figures below City expectations, the shares rose 10p to close at 165p, mainly because of the opti-mism expressed by the charman on the Challenger order.

Vickers sold off its furniture interests in two parts for a total of £44.5m. Negotiations with the buyers went on longer than expected, and profits suf-

The company said that sales of Rolls-Royce motor cars were up on the first half-year, despite a general downturn in the luxury car market. Marine engineering remained dull and the medical equipment business in the US was depressed.

Overall, turnover rose from 379.5m to £381.5m. The £379.6m to £381.5m. The interim dividend is lifted from 2.7p to 2.9p.

@ COMMENT The increase in sales of Rolls-Royce cars was the only piece

Vickers Share orice relative to the FT-A All-Share index 130

of concrete good news in yes-terday's interim figures, which were worse than expected. But

increased 7 per cent to 5.36p (4.99p). The interim dividend is raised from 1.47p to 1.58p.

Mr Boddington said the first half had heen a period of change, reflecting the group's

determination to reposition

On the brewing side, Oldham

Brewery, one of the three breweries, had been closed, dis-

modest p/e of 9.3.

in the event, Sir David Plas-tow's optimism on the score of Chieftain 2 grabbed people's attention, and the shares jumped 7 per cent on the day. It is easy to see why: an order from the UK Government should mean business worth filbn, and would open the door to the much bigger market for tank re-equipment in the Mid-die East. Furthermore, in the short-term Vickers would be able to write back the unspecifable to write tack the thispectic led but large development costs which have depressed the first half figures. Without the contract, full-year pre-tax profits could fall to \$55m, putting the shares oo a multiple of 11. If Sir David is proved right, profits could climb to £65m, and the shares are sitting on a

egy of refurbishing traditional pubs. One week's delivery was lost by a strike due to the con-tracting out of distribution.

There was significant growth at the 16 Henry's Table restau-

rants through the opening of new outlets, with four more to be opened by the year end. The two Village Leisure Hotels,

acquired in June 1987, contrib-uted to profits after finance

O COMMENT

The fibres division saw profits rise from £800,000 to £11m. with margins restored on poly-propylane products. The North American division. Bridon American, returned to the black with a £100,000 profit after last time's £500,000 loss.

On the international side, profits were up from 2400,000 to 2700,000.

Finance charges increased from £1.5m to £1.5m and tax took £2.2m (£2.1m). An interim dividend of 2p (1.5p) was declared.

O COMMENT

This year is looking to be one of recovery for Bridge follow-ing its flerce rationalisation programme of the recent past. These figures benefited to the tune of about £1m from the 320 redundancies at British Ropes in 1987, and the second half should show a £1.5m boost following the 265 jobs which went in this first half. However, the company still faces the major problem of overcapacity in the industry and a decline in its traditional markets, such as shipbuilding and coal mining. It is seeking out new customers, such as providing steel wire ropes for ski lifts instead of wires for British Coal's lifting gear, but the fundamentals still worry some. On a full year forecast of £14m, the shares, down 3p to 161p, are on a prospective p/e just over 9, expensive.

MONE

A Company of the second of the

Boddington at £6.68m in period of change

By Lisa Wood

PRE-TAX PROFITS rose 9 per cent to £6.68m at Boddington. Manchester based hrewer, in

the half year to July 1988.
In reporting the results, Mr
Ewart Boddington, chairman
for nearly 19 years, also
announced his intention to retire in January.
He will be succeeded by Mr

Denis Cassidy, a non-executive director of the brewery who was a former chief executive of BhS and former deputy chairman of Storehouse. Mr Cassidy said hs would bring to Bod-dington his wide experience in

STRONG & FISHER, fashion

leather group, yesterday announced pre-tax profits up from £6.06m to £7.81m in the 12 months to June 24. The

increase was scored on sales of

£110.7m, compared with £70.6m

The company said that sales

were hoosted by one-off stock disposals from the Gomshall

Group - part of the Vestey family's Union International

interests which Strong bought in September 1987. Within the total, £67.6m emanated from

leather and £43.1m from other

The pre-tax figure came after an interest charge of £2.75m (£1.78m). By the year-end Strong said that gearing was 55

per cant.
Despite the profits increase

tax was held at £1.8m (£1.89m).

ROVER GROUP'S doughty minority shareholders finally threw in the towel yesterday and agreed to sell out to Brit-ish Aerospace, clearing the way for the aircraft and weap-

ons maker to take 100 per cent ownership of the previously state-controlled car group.

At a meeting described by Mr Graham Day, Rover chair-man and chief executive and

newly appointed BAe board member, as "special and his-toric" the rump of private shareholders brought down the

curtain on the most troubled era in the British motor indus-

By Kevin Done, Motor Industry Correspondent

Boddington's share price fell 3p to 146p on the results announcement. It has been seeking, like other regional brewers, to reduce its depen-dence on ales and expand other activities such as retailing.
Turnover of £45.22m for the

half year showed an 4 per cent increase on last year. Trading profits at £6.78m were up by 7 per cent. Property profits of £1.31m, compared with £1.01m, helped bolster group profits before interest

and tax. Interest charges rose from £1.39m to £1.54m. Basic earnings per share

Strong said that certain tax

losses came in with acquisi-

tions, and expects the charge

to be somewhere between 25 and 30 per cent for the next couple of years. Farnings per

Strong is currently launch-

ing a new range of water repellent and stain resistant suede

- which, it maintained, would

give it a market lead over its

Any sensible assessment of

Any sensible assessment of Strong's figures is rendered hopeless by a refusal to split out the impact of acquisitions — in particular, the contribu-tion made by the businesses bought from the Vestey family

- or to specify organic growth.

For what it is worth, the Union

Most of Rover Group's aged

shareholders first acquired their stakes in the British

motor industry in the earlier

motor industry in the earlier guises of Rover and British Leyland hefore the old marques such as Austin, Morris, Wolseley, Riley, Standard, Triumph, MG, Rover and Jaguar were all gradually merged into the perennially loss-making British Leyland.

Mr Noel Falconer, self-styled chairman of BLISS (British

chairman of BLISS (British Leyland Individual Sharehold-ers Society) was one of 150

shareholders to attend the

meeting.

BAe had already acquired

99.8 per cent control of Rover

share were 32.7p (27.5p).

O COMMENT

Rover minority sell to BAe

tribution had been contracted

out to TNT and new racking facilities put in.

Beer volumes, in the difficult

north-west market, fell by 4 per cent, a trend which was excacerbated by Boddington's strat-

husinesses were making full-

is extremely optimistic, and technical advances can only

enhance the market among the

world's well-dressed. However,

Britain's regional brewers are Strong & Fisher up to £7.81m

striving to adapt themselves to a changing marketplace. Bod-dington, slower than most to recognise the need to change, has the additional problem of being located in the year profits before interest of 21.8m in 1986. That said, Strong's upmarket fashion niche makes it a very different north-west, an unemployment blackspot. Changes, such as the closure of the Oldham brewery and snbstantial investment in Henry's Table, are being achieved, but the creature to Pittard Garnar, the UK's other quoted leather group and this, together with impact on profits will not work through until next year. Analysts are forecasting about \$15.1m for the full year, giving the timing of its buying, seems to give considerable protection against raw material prices gyrations. Product wise, Strong a prospective p/e of 13.7 times.

DIVIDENDS ANNOUNCED

world's well-dressed. However, evan analysts confess that fore- casting is difficult, and a rising	DIVIDENDS ANNOUNCED						
tax charge - albeit slowly - is scarcely a plus. One broker yesterday was brave enough to	1 - 5 - 10 - 10 - 10 - 10 - 10 - 10 - 10	Current payment	Date of payment	Corres - ponding dividend	for year	Total fast year	
suggest £10m in the current year, which might give a p/e of about 6.5 — but it is all closer to astrology than analysis.	Antologastaint APVint Battleint	1.81	Nov 4 Nov 7 Oct 21	2 1.6 1.2	-	10 4.2 2.8	
	Benzon Groupfin Bentells	0.55 1.5	Nov 11 Nov 2	0.5 0.5 1.5	0.7	0.5 3.15 4.2	
o BAe	Boddingtonint Bridonint Central TVint	8	Nov 2 Dec 9 Nov 10	1.47 1.6 5	. :	3.97 6 22	
for £150m or 2.7p a share in	Close Brothersfin Conneilsint Filolox \$int	0.75	Oct 28 Oct 24	2.9 2.5 0.75	5	4.4° 8 3.25	
August along with the dowry of £547m in Government aid to wipe out much of the car	Happas (John)fin Hampden Home §int Herring Daw	0.5	Nov 28 Nov 24	0.5	4† 	3 1.8 2.74	
maker's debt. It had to wait until yesterday	Laidiaw Thomsonsint Logicain Morrison (Wm)int		Nov 11 Nov 9 Nov 7	1.54 1.2 0.5	2.3t	4.79 1.7	
for the final scene, however, to see whether its sugared offer of \$1 per share — worth in total	Multitone Electfin Oliver (George)int RMCint	0.1 2.6 4.8	Nov 11 Oct 28 Dec 1	0.1 2.2 3.5	:	0.1 12.5	
£12.8m - would prove suffi- cient to persuade Rover's remaining 60,000 private share-	St David's Inv	6.5	Dec e Oct 31	0.365 4.5 0.8	10	1.49 7.1 3.1	
holders to give up their senti- mental ties with the company.	Spring Ramint Strong & Fisherfin Systems Reliabint	0.2 8.3 nli	Dec 6 Nov 30	0.182 7 1.7	12	0.55 10.5 5	
The final result was 8,276 shareholders holding 3.14m shares in favour, with only 89	Tor lav incomefin Tor lav capitalfin T & S Stores	14.4 2.1 1	- Nev 25	11.88 1.748 0.8	21 21	17.48 1.748 2.1	
ehareholders representing 53,338 shares against.	Vickersint Waterman Parinerin	2.9 1.5	Nov4 Nov 18	2.7	1,5	6.7	

Dividends shown pence per share net except where otherwise stated. "Equivalent after allowing for scrip issue, fOn capital increased by rights and/or acquisition issues. §USM stock. §SUnquoted stock. &Third market.

Systems Reliability downturn

SYSTEMS RELIABILITY, the SYSTEMS RELIABILITY, the telephone systems and computer dealing company being revamped by Hillsdown Investment Trnst, yesterday announced pre-tax profits down from 11m to 1267,000 for the first half of 1988, together with a major acquisition.

The company was reorganised earlier this year when HIT, an investment subsidiary of the Hillsdown Holdings food group, reversed Fletcher Dan-

group, reversed Fletcher Den-nys Systems, a loss-making computer dealer, into the

group.

Following the merger, Mr
Michael Teacher, of HIT.

became chairman and the group has been rationalised. Loss-making activities in Australia and South Africa have been discontinued and there was an exceptional debit of £195,000 relating to UK reorganisation. Continuing activi-ties made profits of £727,000.

Fletcher Dennys was only included for part of the period and contributed little. Group turnover was 29.05m (£5.95m) and earnings per share were 0.54p (5.53p). There is no interim dividend (1.7p). Systems also announced the Sy acquisition of Essex & City, a 108p

Chelmsford based computer dealer which made £845,000 on turnover of £13m in the year to April 30 1988. The initial payment is £3m in shares, with further payments based on a multiple of 5.2 times this year's pre-tax profits. pre-tax profits.

As a result of the share issue, HIT's stake will be diluted to around 22 per cent.

Mr Teacher said that the acquisition of Essex meant that that, together with Fletcher, the group would have very good coverage within the M25 Systems' chares fell 2p to

Prestwich considers buy-out By Nikk! Talt

jumped 19p to 140p yesterday on news that directors were considering a management buy-out for the entire com-

Prestwich is the latest in a line of companies to announce that it is contemplating such an idea. Earlier this year, Mr Richard Brauson's Virgin Group made a similar announcement, while two smaller companies, Glass Giover and Dwek Group, have actually gone ahead with such schemes of factive land. schemes, effectively taking their businesses private. In this case, Prestwich said

SHARES IN Prestwich the notion developed a couple of months ago, that a feasibility study has been prepared and that preliminary discussions and that preliminary discussions are the statement of the notion developed a couple of months ago, that a feasibility study has been prepared and that preliminary discussions are the notion developed a couple of months ago, that a feasibility study has been prepared and that preliminary discussions are the notion developed a couple of months ago, that a feasibility study has been prepared and that the notion developed a couple of months ago, that a feasibility study has been prepared and the notion developed a couple of months ago, that a feasibility study has been prepared and the notion developed a couple of months ago, that a feasibility study has been prepared and the notion developed a couple of months ago, that a feasibility study has been prepared and the notion developed a couple of months ago, that a feasibility study has been prepared and the notion developed a couple of months ago, that a feasibility study has been prepared and the notion developed a couple of months ago, and the notion developed a couple of months ago, and the notion developed a couple of months ago, and the notion developed a couple of months ago, and the notion developed a couple of months ago, and the notion developed a couple of months ago, and the notion developed a couple of months ago, and the notion developed a couple of months ago, and the notion developed a couple of months ago, and the notion developed a couple of months ago, and the notion developed a couple of months ago, and the notion developed a couple of months ago, and the notion developed a couple of months ago, and the notion developed a couple of months ago, and the notion developed a couple of months ago, and the notion developed a couple of months ago, and the notion developed a couple of months ago, and the notion developed a couple of months ago, and the notion developed a couple of months ago, and the notion developed sions have taken place with

potential sponsers.
Yesterday, Mr Philip Keane,
the Prestwich director who is leading the possible buy-out team, said that the idea had been born from a feeling that the company's market rating was unsatisfactory. He said that, if the scheme worked out, all the executive directors planned to be part of the buy-out team, together with one existing non-executive director. He added that the plan envis-aged Mr Paul Levinson, the

company's chairman, partici-

pating in the scheme, but then taking on an advisory role Mr Levinson effectively trans-formed Prestwich when he injected his privately-owned media rights company into the former nuts and bolts manufacturer in 1984. He currently holds around 16 per cent of Prestwich shares and, despite participating in the buy-out, would end up with a net cash

Mr Keane added that he hoped matters could move on in "weeks rather than months". In total, directors hold just under 20 per cent of the shares; Norwich Union has almost 7 per cent and the Pru-dential just under 5 per cent.



GROUP

INTERIM RESULTS FOR THE SIX MONTHS ENDED 31st MAY 1988

Young Group plc, based in County Durham and one of the UK's leading private coal producers, announces its first set of results since its successful flotation on the Unlisted Securities Market in June.

1988 1987 Turnover \$9.307m \$7.678m Profit before interest and taxation \$1.301m \$1.127m Earnings per share 10.48p 9.46p

- Production at all mines is running at target
- New drift mine development at Woody Close is performing particularly well;
- Chairman Bob Young says:

"Trading in the second half has been very encouraging, and the Directors view the current period with confidence.

Copies of the interim statement can be obtained from the Secretary, Young Group plc, Prospect House, Leadgate, County Durham, DH8 7PW.



CURRENCIES, MONEY AND CAPITAL MARKETS

FOREIGN EXCHANGES

· Maringan

VII-round

Fridon Sen

ip to £70

A T STATE A LEGISLANDS

Donother the state of the state

tion orders

Anna Ch parte

The state of the s

DOWNERL . · com to lorging to

in looking the very fee Bridge in the need of the need

44,75 497 ft Re

In: A that the Part

ar . . Frei in ibe fa

The male mile

11 14/87 17 次企業

er ar o it the 12.3 80 42

the second property

Contra democrate Co

· · · · · i iaur bae - - A Children, R.

ier same महारक्ष संस्

र १ के कि स्टिप्ट के कि

· Carolina

6 12 F FRE

2, (120)

. 3

MNOUNCED

TIS FOR THE

April March

descriptions of the second sec

31 TO 12 ST

יייין יובר פוצוף

14 mg

Nervous tone depresses sterling

STERLING EDGED lower in currency markets yesterday, as investors adopted a defensive stance ahead of next Tuesday's release of UK trade figures for Angust. Most forecasters expect an improvement from July's record current account deficit of £2.15bn. But investors are understandably cautious, especially in view of recent comments by Mr Nigei Law-son, UK Chancellor of the Exchequer, when he suggested that trade data is likely to be one of the last economic fridicators to show an improvement, after the recent rise in

interest rates.

Against this background, the pound edged lower, and broke through a key support level of DM3.1375. It finished at DM3.1325, down from DM3.1400, and Y224.50 against Y224.75. Elsewhere it closed at SF12.6475 from SF12.6525 and FFT10.6650 against FFT10.6725.
Sterling was also lower against the dollar, finishing at its worst level since mid-July

its worst level since mid-July at \$1.6675 from \$1.6755. On Bank of England figures, its exchange rate index slipped to 75.1 from 75.2 at the opening, and 75.3 on Wednesday night.

The dollar retreated from the day's highs, after intervention by central banks. The US unit opened on a slightly firmer. opsned on a slightly firmer note, and broke through resistance at DML8770, in quiet trading. Earlier concern that a further rise would provoke cen-

1 then the	1 secrits	Sent	22	Late	Latest Pr		
STERLING INDEX	Sept.22 Predom Sept.22 Predom 75.2 75.4 9.00 and	3 month	5	0.47-0 2.52-1	0.47-0.46pm 2.52-2.50pm		48-0.470
	8.30 am 75.2 75.4 9.00 am 75.1 75.4 10.00 am 75.1 75.4						

CURRENCY PATES

Steriles 6.50.	0.770806 1.29164	0.660964
Austrian Sch	1.57346 11.0264 50.7485 9.27268 2.47144 2.472148 2.273053 8.22839 1802.74 173.219 8.911449 161.473 8.28975 2.04467 196.090 0.9015/G	1.10468 1.34695 14.5841 43.4579 7.94707 2.07356 2.33778 7.04406 1544.67 148.405 7.65325 137.799 7.12248 1.75080 168.032 0.772342

CURRENCY MOVEMENTS

Sept.22	England Index	Changes X
Sterflog J.S Ooltar J.	75.1 99.7 84.9 131.9 97.8 89.0 144.0 145.0 132.6 64.8 239.1	47.0 87 -25 -49 -59 -40.1 +20.9 +13.5 -13.1 -21.1 +77.3
Morgan Gunranty 982 = 100, Bank of 975 = 1000 Rates are	England Index	(Base Autrag

OTHER CURRENCIES

Sept.22	5	. \$
Argentina _	19.9309 - 20.0760	11.9200-12.0000
Aostralia	21305 - 21335 557.80 - 560.95	333.65 - 335.30
Fleland	7.4060 - 7.4190	4.4350-4.4376
Greece	251.95 - 256.35	150.90 - 153.45
Hong Kong	13.0490 - 13.0550 119.89	7,8100 - 7,8320
Korea(Sth)	1200.50 - 1210.15	70.65
Kamali	6.48050 - 0.48100	0.28765 - 0.28775
Lucembourg	65.55-65.65	39.30 - 39.40
Mataysia	4,4500 - 4,4660 3810.00 - 3830.00	2,6675 - 2,6695 2279.00 - 2289.00
H. Zenteni	2,7170 - 2,7220	16255-16280
Saudi Ar	6.2640 - 6.2700	3.7500 - 3.7510
S. Af Cms	1.4985-3.4140 4.1456-4.1480	2.0385 - 2.0405 2.4800 - 2.4815
S.A (Fu	6.6200 - 6.7535	3.9605 - 4.0405
Tahean	48.30-48.55	25.90 - 29.00
UAE	6.1345 - 6.1405	3,4725 - 3,6735

MONEY MARKETS Cautious undertone

system repurchase agreements, when Federal funds were trad-

ing at 8½ p.c. In Paris the Bank of France

left its money market interven-

tion rate at 7 p.c. at yesterday's securities repurchase agreement tender. The anthorities allocated FF137.6bn at the tender.

expires.

INTEREST RATES were little changed in London vesterday, left a net surplus of £220m. This was offset by Exchequer undertone threatened to move nearer the surface as analysis looked at the weekly Bank of £30m, and bank balances below England bank return to get an early idea of monetary growth.

Notes in circulation comprise about 85 p.c. of M0 money reserves to the banking systemy weekly return it was estimated prise about 85 p.c. of M0 money supply, and on the basis the weekly return it was estimated that year-on-year M0 growth in September will be around 8 p.c., compared with 7.8 p.c. in

August. UK clearing hank been leading rate 12 per cent from August 25 0 26

Economists in the City suggested that if M0 shows growth above 8 p.c. pressure will increase for another rise in

will increase for another rise in bank base rates.

Three-month interbank find to 4.75 p.c. from 4.65 p.c. in sished at 12%-12% p.c. yesterday, against 12%-12 p.c. on finds to cover the underwritting of a Federal Reserve post office bond on Monday. Tax to payments continued to reduce market, but revised this to a credit shortage of around 5.50 p.c. from 4.80 p.c. after the Dutch Central Bank provided only Flate in the market before lunch, but gave total help of 2109m in advances, at an unchanged 5.25 p.c.

the afternoon. The Bank of p.c. England bought £59m bank. An earlier facility of Fl 7bn bills in band 4 at 111 p.c., and expired yesterday, and dealers expected at least Fl 3bn to be around £50m.

Bills maturing, and repay- ment.

proved correct during the after-noon, as the Bundesbank and the US Federal Reserve Board both sold dollars. The Bundes-bank sold \$30.7m at the fixing in Frankfurt, when the US unit was quoted at DM1.8770. During the afternoon, it touched a high of DM1.8810, which prompted intervention by the fed.

The dollar closed at DM1.8790, up from DM1.8745, and Y134.50 compared with Y134.20. Elsewhere, it finished at SFr1.5870 from SFr1.5830, and FFr6.3950 against EFr6.3700. On Bank of England figures, the dollar's exchange rate index rose from 99.5 to

99.7.

Trading volume remained influenced by proximity of the IMF meeting, and discussions among G7 ministers.

The D-Mark eased slightly against the Japanese yen during the morning, opening at Y71.55, down from Y71.59. It withsequently fell to Y71.53.

tral bank intervention was before recovering to Y71.63. Many traders expect the D-Mark to continue to improve against the yen over the com-ing weeks. The argument suggests that higher Japanese interest rates will hurt domestic bond prices, and may encourage investors to switch into D-Mark denominated

paper.
The French franc fell quite sharply after the release of French trade figures for August. These showed a deficit of FFr9bn, over double the revised July figure of FFr4.0bn, and in sharp contrast to expectations of a FFr1.2bn shortfall.

Consequently the D.Mark Consequently the D-Mark improved from an opening level of FFr3.3975 to finish at FFr3.4035. The poor performance of the franc increased recent uncertainty about a pos-sible currency re-alignment within the KMS, and dealers suggested that this weekend's meeting of finance ministers will only add to the market's subsequently fell to Y71.53, nervous tone.

	Ecu sentral rates	Ormaty Jenusts against Ecu Sept.22	% change from central rate	% change adjusted for discretize	Discrepance Short %
lgian Franc nish Krone mue D-Mark mue D-Mark nish Franc tch Gollder h Punt	42,4562 7,85712 2,05853 6,90403 2,31943 0,768011 1483.58	43,4579 7,94787 2,87356 7,94406 2,33778 0,772342 1,544,67	+2.35 +1.21 +0.73 +2.05 +0.79 +0.51 +4.08	437 438 438 438 438 438 438 438 438 438 438	±1.5344 ±1.5406 ±1.6981 ±1.3674 ±1.5012 ±1.6684 ±4.0752

Changes are Adjustment o	Minges are for Eco, therefore positive change denotes a west currency ofjustment calculated by Financial Times.										
POUND SPOT- FORWARD AGAINST THE POUND											
PUU	MD 2501	CORMAN	D AGAH	121	HE PUL	MD					
Sept.22	Day's spread	Clase	One stouth	F 26	Three morths	94					
is analy ana	1.6660 - 1.6740 2.0310 - 2.0410 3.524 - 3.54 45.50 - 65.85 1.1660 - 1.775 3.13 - 3.14 25.80 - 23.45 201.05 - 208.60 2331 4 - 2340, 11.554 - 11.581 10.64 - 10.67 10.76 - 10.77 224 - 225 21.99 - 22.08	1.6670 - 1.6680 2.6815 - 2.0815 3.524 - 2.1334 65.55 - 65.65 1.2015 - 1.2624 1.1670 - 1.1680 26.80 - 257.80 26.80 - 257.80 26.80 - 257.80 26.80 - 257.80 11.552 - 11.562 11.552 - 11.562 11.565 - 11.567 10.76 - 10.77 276 - 225 2.199 - 22.05 2.444 - 2.1554	0.47-0.44cpm 6.26-0.12cpm 13-13-pcm 30-13-pcm 43-32-pcm 14-13-pcm 14-13-pcm 14-13-pcm 14-13-pcm 13-13-pcm 13-16-pcm 11-16-pcm 11-16-pcm 11-16-pcm	127 130 594 412 401 646 120 626 1101 139 626 626 626 626 626 626 626 626 626 62	154-150mm 0.71-0.00mm 54-575mm 84-675mm 133-121pm 71-50mm 71-50mm 71-50mm 71-50mm 71-50mm 71-50mm 71-50mm 71-50mm 71-50mm 71-50mm 71-50mm 71-50mm 71-50mm 71-50mm 71-50mm 71-50mm 71-50mm 71-50mm 71-50mm	146 146 17 145 195 195 195 115 116 196 198 198					

DOLL	AR SPOT	- FORWAR	D AGAIN	ST 1	LHE DOI	LAF
Sept.22	Dag's . spread	Close	One month	11	Three Assuits	% 83
fKr	1.6650 - 1.6740	1.6670-1.6680	0.47-0.A4cpm	3.27	1.54-1.50pm	3.6
etand)	14255 14315	1.4265 - 1.4275	0.12-0.17alls	-1.22	0.35-0.45ds	-11
2020s	1.2160 - 1.2205	1.2185 - 1.2195	0.19-0.21ass	-1.97	0.59-0.624s	-14
etherlands.	2.1130 - 2.1220	2,1180 - 2,1190	0.48-0.46cp-s	267	1.46-1.42mm	2.
elglant	39.25 - 39.40	39.30 - 39.40	5.00-3.00cpm	1.22	12.00-8.00pm	0.
chark	7.184 - 7.214	7.201 - 7.211	0.60-0.30arepus	316 373 585	0.60-0.30mm	Q.
, Germany	1.8740 - 1.8825	1,8785 - 1,8795	0.52-0.47ptpm	343	1.57-1.52pm	5.
mining	1544 - 155	1544 - 155	55-75mls	-705	175-2250s	3
219	124.25 - 125.05	124.90 - 125.00	20-90mik	-241	80-90ds	. 5
	1393 - 1403	14014 - 14024	3.08-4.00Hrests	-3.01	9.00-11.00ms	i
H=17	6.894 - 6.934		2.40-2.55creds	-4.29	1.10-0.90cm	a.
2007	6364 - 6.403	6451 -6451	0.45-0.38cpm 0.95-1.05creds	0.70	253154	-11
-		134.55 134.65	0.36-0.33ypm	3.08	1.12.1.07	3
1784	134 15 - 134 75	13.22 13.23	3.20-2.90www	277	9.00-8.00om	2
stria	15020 15900	1.586 1.5873	0.67-0.64000	4.96	1.96-1.91am	4

delani carecy.	Belgian tate is	for conscribite	francis, Phones	at trace 39.80	39.90	773.5
mruit 🔳	JRO-CL	RRENC	Y INT	REST .	RATES	
Sept.27	Short.	7 thus _ notice	Cor. Month	Three Mostles	Six .	Cont.
terting S Dollar as. Dollar as. Dollar B. Franc B. Franc F. Franc F. Franc F. Franc F. Fr. (Fool F. Fr. (Fool C. L. Krone olan SSing	Hadday The Straight of the Str	HANGAGA TOTAL	11.00 01.00	120-12 120-13 10-13 10	125115757115774868 126115757115774868	12-12-12-12-12-12-12-12-12-12-12-12-12-1

Long term Europhitans: two years 912-84; per cent; three years 912-916; per cent; four years 912-916; per cent; five per cent;

EXCHANGE CROSS RATES											
Sept.22 E S DM You F Fr. S Fr. R FL Lica CS										8 Fr.	
- \$	0.600	1,668	\$123 1.876	224.5 134.6	10.67 6.397	2,648 1,598	3533	2338 1402	20%	65.60 39.33	
PM	0.319 4.454	0.532 7.430	13.96	71.66 1000.	3.406 47.53	0.845 IL80	1128 15.74	746.2 10414	9.051	20.94 292.2	
F Fr. S Fr.	0.937 0.378	1.563 0.630	29% 1188	210.4 84.78	10. 4.029	2.482	133	2191 882.9	1.904 0.757	纵 界	
#FL Un	0.283 0.428	0.472 0.713	0.887	63.54	3,020 4,564	0.750 1.133	1511	661.8 1000.	0.575	18.57 28.05	
C S O Fr.	0.492	0.821 250	150	110.5 302.2	5.251 16.27	1303	1779	1151	3.098	32.28 100.	

FT LONDON INTERBANK FIXING CLLOD a.m. Sept.22) 3 ameths US dollars é monties US Deitars Md 83 offer 84 bid 82 offer 84

The fixing cases are the arithmetic masse rounded to the occurat one-shallouth, of the hid and offered cases for \$10 m enough by the reacts to five reference basis at \$1.00 a.m. each working day, The hands are fixing in Wastanieser Basis, Sank of Yelyn, Detected East, Sank of Yelyn, Detected East, Sank of Peris and Morgan Sectionary Years.

		IONE	Y RAT	ES			
NEW YORK (Lunchtime) Prime rate Broker loan rate Fed funds at later vertice	22	Treasury	Treasury Bills and Bonds 4.42 Three year 1.7.12 Few year 2.7.12 Few year 3.7.15 Section year 3.7.17 Section years 3.7.17 Se				
Sept.22	Orezalgist.	Month	Tyro Months	Thate Nonths	Six Months	Located	
Frankfurt Parts Zarich Ausstanden Totoro Attilan Rousels Duttila	4.70-4.80 7.77-1 14-13 5.43-55 190-25 101-101 7.30 2.71,	4,70-4,85 71-75 24-31 5,43-5,50 4,46875 114-115 71-73 71-73	4.75-4.90 75-74 74-74	130-4,86 12-3,16 13-03-60 113-113-113-113-113-113-113-113-113-113	5.05-5.25 771-8	5.00 7.00 - - - -	

der, compared with FFr40.6bn leaving the banking system today, as an earlier pact LONDON MONEY RATES Sept.22 Year Interbunk Offer
Interbunk Bid
Sizerlog CDs.
Local Authority Days.
Local Authority Bonds.
Discount Mitt Days.
Company Denosits
Trumary Bills (Bag)
Bank Bills (Bag)
Fine Trade Bills (Bag)
SDR Linked Day Offer
SDR Linked Day Offer
EDS Linked Day Offer
EDS Linked Day Bid 123 121212 12 11-2 10% 127

FINANCIAL FUTURES

Fears of renewed selling

had trade figures in August.

The trade figures will be published on Tuesday, and the spproach of these, coupled

with technical worries regard-

ing sterling, have created a nervous mood which may turn

Prices of short sterling and

long gilt futures were little changed yesterday, after

当時的協会を表

Estimated volume total, Calls 420 Pats 220 Provious day's come let. Calls 6464 Pats 3113

into a move to sell.

AND SERVE

tics, and fears of another set of Wednesday's bout of selling as

it appeared that the mood of

enphoria on Tuesday's bank

lending announcement had

sterling closed below technical

support levels of \$1.67 and DM3.1375 yesterday and that this may have a detrimental

impact on the futures market today.

LIFFE FT-SE DIDEX PUTURES OFTEN

Estimated volume total, Calls 6 Pats 6 Previous day's open lat, Calls 4 Pats 111

Estimated volume total, Calls 1733 Pals 870 Previous 420's open int, Calls 10745 Pals 11891

0.7645 0.7560 0.7564 0.7568 0.7657 0.7560 0.7554 0.7568 0.7635 0.7641

Linst High Low Prev. 0.5369 0.5372 0.5366 0.5390 0.5404 0.5411 0.5404 0.5420 0.5404 0.5462

91.36 91.39 91.18 90.96 90.77 90.78 90.70 90.64

LIFFE SHOPT STEPLING

Traders pointed ont that

been overdone.

technical considerations led to the conclusion that sterling interest rate contracts may be exposed to selling today, according to dealers on the Liffe market.

Sterling contracts appear exposed because of concern about rising money supply growth, after yesterday's Bank of England bank return statis-

LING BEEN DE Estimated volume total, Calls 2165 Puts 864 Previous day's open lat. Calls 18370 Puts 21464

21212121212121212121212121212121212121	1195 1195 1195 1195 1195 1195 1195 1195	1195 675 326 120	0 11 105 397 847 1142	111 43 214 506 920 1394	Strike 1975 1926 1925 1939 1939 1939 1939 1939	Calls cettle Dec 70 50 34 21 12 6	L
stimated revices di	volgene tol 2y's apen i	esi, Cadh (M., Cadh 4	Pets 0	710	Previous di	oglame total ly's open lot.	C
III 4851 12,254 (s	MIN SE (A DETER	4				

おおいまれる

802 0.12 4.96 0.36 4.96 2.01 2.80 3.51 2.12 5.61 1.63 7.94 CHICARG

93-00 92-24 Estimated Volume 229 (407) Previous day's open fail, 1612 (1818)

101.73 101.60 101.65 102.07 100.69 Estimated Values 456 O46; Previous day's open int, 445 (481) Close (Figs Low 87.04 87.73 88.37 88.39 88.28 88.66 88.66 88.64 88.64 88.64

Est. Vol. Circ. figs. not shown) 14632 (2045)) Previous day's open lot. 39812 (19113) 177.90 178.70 177.70 178.85 179.70 180.50 179.40 180.60

CURRENCY FUTURES LEFE-STERLING \$25,000 \$ per £

Stienzad Voltage () 500 Verlous 600's open lat. 175 075) 1-et2 3-eth 5-eth 12-eth 14630 14623 14389 14182 DEN STEELING SE per C Larst Hija Law Pres. 16578 16566 16562 16614 16460 - 15450 16490 16332 - 16300 16356

THE RANDFONTEIN ESTATES GOLD MINING COMPANY, WITWATERSRAND, LIMITED

85-65 87-65 87-65 88-73

12.79 92.52 92.79 92.52 92.77 92.79 92.61 92.63 92.61 92.63 92.74 92.74

(Registration No 01/00251/06)

BARNATO EXPLORATION LIMITED (Registration No 88/03756/06) ("Barnex) LINDUM REEFS GOLD MINING COMPANY LIMITED

(Registration No 88/03804/06) ("Lindum") (All companies incorporated in the Republic of South Africa)

Results of the rights offices by Barnex and Lindum to members of Randfontela of 13 340 659 and 12 227 106 ordinary shares of one cent each in Barnex and Lindon respectively.

Barnex and Lindum report beremoder the results of their rights offers to members of Randfontein of 18 340 659 and 12 227 106 ordinary shares of one cent each in Barnex and Lindum

The offer of 18 340 659 Barnex ordinary shares: subscriptions for 17 116 739 shares (93.3% of the offer) were received.

2. The offer of 12 227 106 Lindum ordinary shares: subscriptions for 4 245 643 shares (34.7% of the offer) were receive

The remaining shares will be taken up by the underwriters or their nominees in terms of the flotation agreements.

Share certificates will be posted on or before 23 September 1988. Johannesburg 21 September 1988

NOTICE OF NOTEHOLDERS OPTIONAL REDEMPTION



Banco Espirito Santo e Comercial de Lisboa (the "issuer")

U.S. \$30,000,000 Floating Rate Notes Due 1990 (the "Notes")

in accordance with Condition 7(d) of the Notes notice is hereby given to the holders of the Notes of their option to redeem such Notes at their principal amount on December 23, 1988. To exercise such option, the Noteholder must deposit such Note (with all unmatured coupons appertaining thereto) with the paying agents as shown on the Notes between October 24, 1988 and November 8, 1988. Any Note so deposited may not be withdrawn without the prior consent of the issuer.

Noteholders should be aware of the issuer's intention to redeem all of the outstanding Notes on December 23, 1988 in accordance with Formal notice detailing the manner of such redemption will be given

September 23, 1983, London By: Citibank, N.A. (CSSI Dept.) Principal Paying Agent

CITIBANG

EUROPEAN OPTIONS EXCHANGE

			. ==	Fe	b. 89	10-	89	
Series		Voi	/. 86 Last	Vol	Lest	Val	Last	Stock
GOLD C	\$ 400			9	2350	10		
GOLD C	5 420 5 440 \$ 460 \$ 390 5 420 5 420	107 225 10 112 138 91	550 B 190 B 690 A	133	14	500	31 21 1450	\$ 398.75 \$ 398.75 \$ 398.75 \$ 398.75 \$ 398.75 \$ 398.75
GOLO C	5 460	1 20	1 6.80 P			500 27	F7-9 A	\$ 398.25
GOLO ▶	\$ 390	112	6 90	37	10 50 A	-	-	5 378 25
COLD P	5 400 5 420	138	134	109 79	24 50 A	40	26	5 398 25 5 398 25 5 398 25 5 398 25
COLO P	5 440	22	43	38	10 50 A 13.60 A 24 50 A 42 50	_ =	_	5 398.35
		Dec	88	Mc	a. 89		_	
SILVERC	\$ 850			15] 11		ESH.	\$ 625
EGÉ Index C	C1 220	Oct		No		Dec	88	F1 236 71
EOE Index C	FI 235	129 57	8.80 5.50 3.50 1.70	23	11 28 .	4	11 50	FI 236 71
EDE Index C EDE lader C	FI 240	43	3.50	14	6 10	4 2	8.50	FI 250 FI
EGE Index P	FI. 220	40 78		22	4	_] = 1	FI 236 71
EDE Index P	FI. 230	87	2.50	8	4 80	-	1 - !	FI 236 71 FI 236 71
EDE INDEX P	FI 230 FI 235 FI 240 FI 245 FI 220 FI 235 FI 240	106	250 470 640	=	1 - 1	-	l : i	FI 236 71 FI 236 71 FI 236 71
		No	. 88	Fe	p. 89	May	89	
OBL Index C OBL Index C	Fl. 95 Fl. 100	62 215	4.90 0.65		1	_	<u> </u>	F1 100 51 F1 100 51
OBL Index P	FI. 100	۳.	U.05	1050 101 6	0 85 1 20	_] -	Fi 100 51
		Oct		No	88	Dec		
S/FIC	FI. 210 FI 215 FI 220 FI 205 FI, 210	27	280	4	4	823	4.60	FI 211.55 FI 211.55 FI 211.55 FI 211.55 FI 211.55
SYFIC SYFIC SYFIC SYFIP SYFIP	Fi 220	-	1 - 1	=	=	30	2 60 1.20 B	F 31(33)
MFIP CIGIP	FI 215 FI 220 FI 205 FI 210	18	0 70	_	1 = 1	32	<u> </u>	FI 211 55 FI 211 55 FI 771 55 FI 212 55
S/FI P	F1 215	120	4 90	_	1 - 1	-6	680	FI 211 55 FI 211 55 FI 211 55 FI 211 55 FI 211 55 FI 211 55
			7.00			-		
	-	Oct		324		Apr	89	-
ABN P ABN P AEGON C AHOLD P	F1.45	173	2.90	89 12 137	3 50	30	430	FI 42 30
AEGON C	FI 45 FI 90 FI 75	50	ī	137	3.50	.3	4.30 5.50	FI 85 60 FI 80 40
AKZO C	Ft. 150	370	1 70 A	107	6 60	30 50 13	10 50	Fi 143 40
	F1. 150	133	1 70 A 7.50 2	203	6 60 11 40 4 20		5 50	FI 42 30 FI 42 30 FI 85 60 FI 82 40 FI 143 40 FI 143 40 FI 55
AMEV C AMEV P AMEO C AMEO P SUHRMANN-T P	FL 60	101	5 B	10	6.8		- 1	
AMAD C	FI. 450 FI. 150 FI. 150 FI. 150 FI. 555 FI. 50 FI. 75 FI. 50 FI. 55 FI. 50 FI. 55 FI. 55 FI. 55 FI. 55 FI. 55	370 53 723 101 18	2.30	45	370		370	F) 73 EG
BUHRMANN-T P	Fi 50			357	160		- 1	F 52 70
ELSEVIER C	F1 55	209	6	30	1 1		: 1	FI 60 70
BUNKMANN-I P ELSEVIER C ELSEVIER P GIST-BROC. C NEINEXEN C HOOGGOVENS C HOOGGOVENS P	FI 75 FI 50 FI 55 FI 50 FI 45 FI 250	137	0 30 9 90 7 50 1 30 0 90	923 1517 35 154 154 154 154 154 154 154 154 154 15	1 1	10	190	
HOOGONENZ C NEINEKEN C	F) 250	32	750	113	3 20	~	~	F1 138 80 F1 62 50
HOOGOVENSP	F1. 55	24	130	17	950 310 270	30	4 50	FI 138 80 FI 62 70 FI 62 70 FI 34 80 FI 34 80
	F1 35	Z94	10.90	154	3 10 2 70 10 70 10 70	30 41 98	4 50 4 10 3 30	FI 34 80 FI 34 80
KLM P KNPC	FL 170	20	1-4	36	10 70	-		FI 184 20
KMP P NEDLLOYD C	Ft. 170	1 40	200	_	1 - 1	32	12.80	FI 169.20
NEDLI (IYO) P	F1. 200	80	2 90 0 60 1 40	10 22	1 5 1	-	- 1	FI 223 FI 223
MAT. NED. C NAT. NED. P	F1 150 F1.55 F1.60 F1.35 F1.170 F1.170 F1.200 F1.65 F1.65	137339 45 1 20 - 88854 25 25 25 25 25 25 25 25 25 25 25 25 25	149	22	240	12	510	FI 169 20 FI 169 20 FI 223 FI 223 FI 63 80 FI 63 80
PHILIPS C	Ft. 35	745	0 40 0 30 0 70	117	1 60	49 409 117	240	F1 32 60
PHILIPS P ROYAL OUTCH C	FI. 30	1249 82	0.30	21 447 674	1 60 1 20 4 50 9 10	409	2 20 7 80	F1 32 60 F1 32 60 F1 224 80
ROYAL OUTCH P	FI. 230	62	650 1.40	674	910 (-	- 1	F7 224 80
ROYAL OUTCH P UNILEVER C UNILEVER P	FI. 35 FI. 30 FI. 240 FI. 230 FI. 120 FI. 100	134	1.40	107 359	150	7	740	FI 63 80 FI 63 80 FI 32 60 FI 324 80 FI 224 80 FI 115 70 FI 115 70
VAN OMMEREN C	FI. 35			378	0.70	66	2 50 1 50	Fi 30
	TO	TAL VOI	UME IN	CONTRA	CTS - 24,	265		

BASE LENDING RATES

City Merchants Bank Clydesdale Bank Comm. Bh. N. East Northern Back Ltd

Horsphong & Shangh ...

Leopold Joseph & Soos ...
Linyis Bank ...

Megiraj Bank Ltd

McDomel Douglas Buk
Midland Bank ...

Manual Rules Corn

Co-operative Bank Bask Credit & Cornes First National Bank Pic. Robert Fleming & Co. Robert Fraser & Pturs. Girobank Bank of Cyprus
Bank of Cyprus
Bank of Lerland
Bank of Ireland
Bank of Scottland
Bank of Scottland
Banke Belge Lind
Bankes Belge Lind
Bernars Bank AG
Bertiner Bank AG
Brit BE of Mid East Guinness Mahon HFC Bank old Hambros Bank Heritable & Gen Inv Bob ● Hiff Sameet C. Hoare & Co.

Royal Trust Bank Standard Chartered TSB 12 UDT Mortgage Exp 12.75 United Bk of Kuwait 12 Whiteaway Laidlaw

Members of British Merchant Banking & Securilles Houses Association. 7 7 day denosis 4:58% Savewor 7.16%. Top Ver-£10,000/-instant arcess 9.0% & Mortgage tate. § Demand deposit 7%. Mortgage 12:375% 12:75%.

VENTERSPOST GOLD MINING

COMPANY LIMITED (Venterspost) (Registration No. 05/05632/06) (Incorporated in the Republic of South Africa)

Acquisition of Mining Title

Venterspost announces that subject to the approval of members in general meeting, it has agreed:

(a) to acquire the mineral rights and precious metals claims over 2,446 hectares to the east of its existing mining area and to purchase 124 hectares of freehold for 4.8 million deferred shares of 25 cents each and R127 000. cash, the deferred shares ranking for dividends with effect from 1 July 1992:

(b) to apply for the consolidation of all its mining titles and to mine these in terms of a single State's share of profit

A notice of a general meeting, to be convened for the purpose of approving, inter alia, this acquisition, as well as an explanatory circular will be sent to members of Venterspost on or about 22 September 1988.

By Order of the Board

per pro CONSOLIDATED GOLD FIELDS PLC. London Secretaries 22 September 1988 Mrs. G M A Gledhill, Secretary

A MEMBER OF THE GOLD FIELDS GROUP



Gulf Canada Resources Limited

U.S. \$375,000,000 Note Issuance Facility Noteholders are hereby notified that the applicable Rate of

Interest and the Interest Amount in relation to the Interest Period 23rd September 1988 to 24th October 1988 is as

Rate of Interest:

84%

2. Interest Amount per US\$500,000 Note:

US\$3,498,26 The Interest Payment Date will be:

24th October 1988

Reference Agent Bank of America International Limited

Paul Cheeseright looks at the rising fortunes of the National Freight Consortium's Property Group

have been rushing to acquire space. Since NFC Property Group hecame seriously involved in 1988-84, the Healey

and Baker retail warehouse rent index (1977 = 100) has risen from under 300 to more

than 500. So NFC Property Group moved into a rising market. Its davelopment programme,

excluding joint ventures and work for NFC operational com-panies, has stretched to £150m

and has a potential value nearly double its completed

Three things have happened. First, NFC Property Group has mustered eufficient confidence

to broaden its area of activi-

ties, so that the programma

now has an office element. Second, it has started to look

outside its own estate and to compete with companies like Peel Investments and City-

grove for contracts, as at Not-

tingham, and has begun buy-ing land to supplement its own

holdings, as at Manchester White City. Third, in the interests of

becoming a balanced property company it has added a trading

arm specialising in secondary property, which now has a portfolio worth £12m.

projects so far.

Profits in the wasteland

FC Property Group is a child of the cur-rent property boom. By historical accident it had significant land holdings in areas which have become commercially attractive, and these have turned it into a retail warehouse developer at a time when traders are rushing to find space.

The group is the property arm of the National Freight Consortium, looking after not only the estate which is the base for NFC operations but using surplus land for commercial development and, now. branching out. "The bent has changed in the last five years from an inward looking to an outward looking programme," says Henry Lafferty, the group's managing director.

But outside the property industry there is no great recognition of NFC Property's activities. Certainly they will become noticed before NFC's Stock Market flotation next year. Until now, points out Marianne Burton of Phillips & Drew, the stockbrokers handling the flotation, NFC property activities have been low key. Yet, she added, "a pretty hefty part of the group's value

sides in property." In the year to October 1987,

NFC had pretax profits of £47m, of which the contribution from property came to £5.6m. The property operating profit was £13.6m but £8m of this came from the rents paid to the property group by the BFC operating companies.

Stripping out the internal group transactions, property thus contributes 10 per cent of profits. Mr Lafferty expects this proportion to be main-tained during the current year. But the property group seems poised to earn evan more because of the way in which it has developed.

When NFC passed from state control into the hands of the employees in 1982, a main employees in 1982, a main objective was to wring greater value from the property assets. At this stage it had two types of property, described by executives at the time as "generally tertiary to rough." The first category embraced sites on the edges of towns used by British Road Services and Pickfords as denote. The second took in depots. Tha second took in sites usually near railway sta-tions used by National Carri-ers. The best known of these are at King's Cross and Pad-dington in London and Temple Meads in Bristol, all of which are now sites for joint venture

developments (see right). These joint ventures should

ensure long-term asset growth and will doubtless emerge as a glamour element of the flota-have been rushing to acquire tion marketing next year. At the moment they hover in the background. The foreground is occupied by activities on the NFC estate relating to the operational companies and by retail warehousing and the diversification out of it.

The NFC Property Group is responsible for meeting the accommodation needs of the NFC operating companies. Thus it has been engaged in a programme to move these companies out of technically obsolete premises. Historically Pickfords worked out of mul-ti-level depositories. Now it

needs container warehouses. Since 1982, the operating companies have been gradually moved to the payment of mar-ket rents for the premises they use. This process has not only put NFC costings on a more realistic basis but has thrown up land which can either be sold or redeveloped. It is at this stage that retail warehousing comes in to play. NFC Property Group found itself, especially with the edge-of-town sites, with land that could most valnably be used in meeting immediate market needs.

The growth of retail warehousing has been one of the

LIVE AND WORK UNDER ONE ROOF IN VICTORIA PARK ES!

For Those Of You Who Wish You Had

Your Own Bed At The Office!

420 sq ft Office space * Car parking space
 * Cleakroom * Entry phone system
 * Space * Car parking space
 * Cleakroom * Entry phone system

work under one roof lust 3 miles

evelopment, occupying an nviable East London location.

These superbly constructed

McHawk

For independent advi London WIM 3AD

from the City, as part of the sought after Royal Victor Place

Hickortz Bart, Tanbon E.

ROYAL VICTOR

2 bedroom luxury

Prices from £172,500 Lessehold (99 years)

01-980 7140

COMMERCIAL LOANS FOR ANY PURPOSE

FIXED INTEREST RATES FROM 10-25%

er Gary Horne FHD at 49 Marylebone High St, of AO7 EAAA Fax: 01-487 5371

NO BROKERS FEES PAYABLE

100% FINANCE FACILITIES

LONDON & CAPITAL

.01-487 5444 .

HUNTERCOMBE PLACE, NUFFIELD.

OXFORDSHIRE A substantial grade II listed mansion set in C18 acres. Suitable for a variety of uses, subject to planning.

For sale by public auction (subject to prior sale) The Shillingford Bridge Hotel, Shillingford, Oxfordsking

PRIME US INVESTMENT

16,000 aq R warehouse/offices on 1 acre plus Multi-use: office, light industry,

one of the fastest growing areas in US
- Gross income - \$93,000(US)

CONTACT JOEL KERBEL, BARRISTER AND SOLICITOR Tel (416) 972-1900 (Causes) Fax (416) 972-1899

- Gross income - \$93,0000 PRICE US \$699,000

Fully leased to good tenants; Lease guaran Close to Palm Beach, Florida

on lay, 26th October, 1988 at 11 a.m. promp

Adhle, Merket Place, Wallingford, Oxon. OX10 9AD, Tel: (8491) 36999.

overlook the Grand Union

Canal and are adjacent to

For further details and a brochure please telephone

(FIEGERA)

view across the Regent's Park Canal to King's Cross station, where the NFC Property Group is engaged as developer with Rosehaugh and Stanhope Properties and as a minority landowner, holding nearly 20 acres of the 125 acre site.

The project is new ground for NFC, both in terms of size

NFC had been working on King's Cross for five years before its consortium was chosen as developer. One of the reasons it drew in Rosehaugh and Stanhope was to tan their experience of financing large projects. King's Cross will probably be funded in the way Rosehangh and Stanhope funded Bruadgate, their City development. development - non-recourse bank finance tied to specific phases. Until then, the three companies will have to carry their own costs. Construction if all goes well with the plan-ning, could start in 1990-91.

More immediately, construc-tion starts this year at Pad-

dington where NFC Property Group has 40 per cent of the

- the project is the largest of its joint ventures and could be worth £6bn - and in terms of its first joint venture with Rosehaugh and Stanhope. The three companies have already spent more than £10m on the project and expect to apply formally for planning permission to Camden Borough Council in early 1988. Meanwhile they are drawing up a contrac-tual agreement with the landowners, predominantly British Rail.

Grainhurst consortium. With a \$40m facility from Abbey National, the plan is to build 300,000 sq ft of offices, 200,000 sq ft of light industrial and retail space and 315 residen-

NFC Property Group's third significant joint venture will

be at Temple Meads, Bristol, where it plans to develop 500,000 ag ft of offices with

the planning authority.

Theses joint ventures, said Mr Lufferty, are part of "a halancing strategy." They are long-term developments which set off the predominantly short-term nature of the group's retail warehouse

GATE



Property Trust. But the project is on hold until the establish-

ment of the new urban devel-

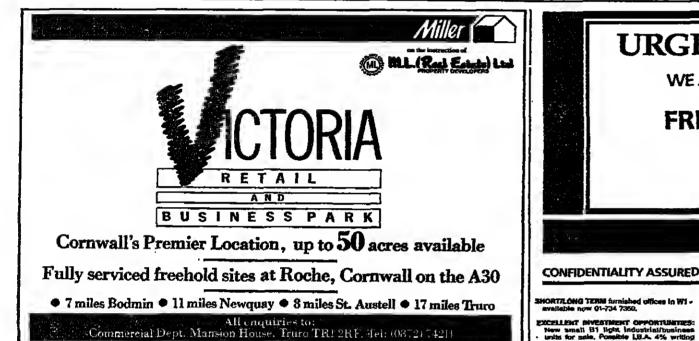
opment corporation in whose territory the site is situated.

The corporation will become

MERID

ega range from 5,500 sq. ft. to a violetistic 24,000 sq. ff anter other believing invented to "City of Lundon" standards

The buildings and high displicits to publishes with life Transist of NOV. Capital Allgussion and profundary reservations are their buildings. And, so buildings the color layers at Grant & Patinars, for Archite



On behalf of the City of Edinburgh District Council and the Scottish Development Agent





LOTHIAN ROAD EDINAURGH opportunity - on a 7.16 acre site in central Edinburgh - the site has capacity for office development in the region of 700,000 sq ft, and for the Edinburgh International Conference Centre.

All enquiries to the retained agents of the Council and Agency:



150 West George Street, Glasgow G2 2HG. Telephone: 041-332 5606



Prominent Building At Present Used For Headquarters Offices 29,650 sqit. on 13 Acres Long Lease for Sale







Rare opportunity to buy a site of approx. 59 acres (24ha) with good sea frontage on south west coast of popular

NO AGENTS. INTERESTED PARTIES SHOULD WRITE TO BOX NO. T 8984 Financial Times, 10 Cannon St. London, EGAP 48Y

URGENT REQUIREMENT

WE ARE SOLELY RETAINED TO SECURE

FREEHOLD INVESTMENT

WITHIN THE CITY BOUNDARY

£1M-£21/2M

REF: SMAON CRAIG/GRAHAM REED

01-606 7601

HORT/LONG TERM furnished offices in W1 -evalleble new 01-734 7350, SAVE £356,000 TAX BY BUYING FREEHOLD PROPERTY INVESTMENT

202411947 INVESTMENT OFFORTUNESCO-New small B1 light industrial/business units for sale, Possible LEA. 456 writing down gllowence for 25 years, No VAT before March 1999, Lot sizes from £1000,000, Locations include Millon 100% Capital Allowances Investment Reversionary Industrial Warehouse in Rossendale Rd Enterprise se with regular rent reviews.

Net Income - £67,500 Price - £940,000 Tax saving to 40% tax payer = £356,000

Call Arnold & Co Chartered Surveyors - 021-706 1492

WANTED INDUSTRIAL LAND IN BIRMINGHAM AREA

PLC requires 8 - 15 acre site, with planning permission for industrial use, within a 30 mile radius to the gham City Course The site must have ready access to

Telephone R. Davidson 041-332 9944

BRIDGING LOANS ANY PURPOSE mediate "In Principle"

Decisions

LAURISTON FINANCE L'ID 138 Union Street, Castle Circu Torquay, Devon TQ2 5QB Telphone: (0803) 213421 - 213422 LICENSED BROKERS

to Share minutes wilk from Wimbledon tubu/ train interior designed, furnished, 400 a.f. Separata Kit, Storage Room, Bathroom MacPins, 2 phone lines, nastry pariong, Short or long term let, incide util/rates £140 or £55/wh. FREEHOLD LAND

Wimbledon Consulting Office 01-879-1144: HR Internation

Crawley, Sussex. Prime position approx 1 acre. suitable for redeviopment Apply Box 10005 Financial Times, 10 Cannon Street, London EC4P 4BY,

FUERTEUENTURAICANARIE HOW AVAILABLE IN THIS UP-AND-COMMINI INLAND LAND - just released in prin HOTEL/APARTMENTS GOLF COURSE LEISURE COMPLEX Toplorm internation Oneil 01-367 9286 01-366 2572 Fex 01-367 5803

Approx. 1000 sq.ft. Lux s/c. offices avail. to let 6-12 months., all services inc. tel. tix., fax reuter screens, neg. terms Call 01 409 0525.

INTERNATIONAL PROPERTY

ETBA

FIELLENIC INDUSTRIAL DEVELOPMENT BANK S.A.
18, EL Vestinios St. 196 72 Atlant Tel. 3237-951 - 3230-771

SALE OF ASSETS

The Hellenic Industrial Bank S.A. (ETBA S.A.) announces that it invites scaled tenders for the sale of:

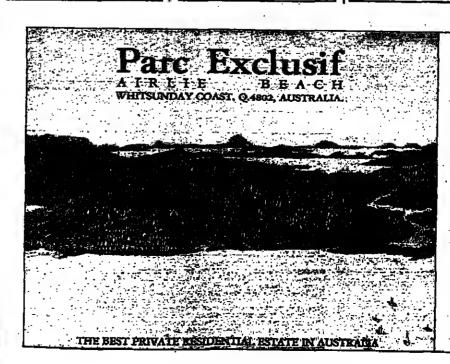
THE FORMER HALKIS SHIPYARDS S.A.

P: 48

It is located at Vathy of Avis and comprises a site totalling 430,000 sq.m., building facilities of about 8,600 sq.m., the respective mechanical equipment as well as a small floating dock, two tugs, etc.

The tenders, which must be accompanied by the guarantee provided under the terms of the competition, shall be submitted by the interested parties or their anthorized representative until 28.9.1988 at the central offices of ETBA S.A., the Division of General Services and the Management of Fixed Assets (Department for the Utilization of Assets).
Athens, 6 Amerikis Street, 4th floor, or at the regional offices of ETBA S.A.

Further information and the terms of the competition are provided at the above offices (telephones 3237381 or 3237981, extensions 549, 426, 524) and the appropriate branch offices.



FOR SALE

Own a Mountaintop overlooking the Whitsunday Islands

The only freehold privately owned mountain in the Airlie Basch area. Undoubtedly one of the most desirable residential existes in the world... 76 bectur (187 acces) subdivided into 8 exclusive properties, each with successful viscos.

A multi-millionsire's haven

in a unique location / sesured. 2.7km long private bitumened re-pachting, game fishing and diving facilities. are year-round climate - 28"/21"C. Average

- private secure, uniqu Send for brochuse and details.

ZADA P.L. P.O. Box 103 AIRLIE BEACH Queensland 4802 Phone 79-466-380 Fax 79-466-775



TECHNOLOGY

Turning the wheel of engine history

Chris Sherwell reports on the changing fortunes of the innovative two-stroke Orbital engine

of post-war Austra-lia, few are more remarkable than that of Ralph Sarich, inventor of the Orbital engine. In a series of ingenious steps, Sarich has built a two-stroke, three-cylinder, 12-litre engine which develops as much power as a four-stroke, four-cylinder, 1.6-litre internal

combustion engine.
Not only that, his engine is half the conventional engine's size and weight. If has fewer moving parts, is cheaper to make and uses less fuel And, most extraordinarily for a two-stroke, its exhaust emissions are within the modern pollution limits.

In short, at a time when every other concept for improving engine efficiency appears to be getting more complex, Sarich's Orbital combustion process (OCP) engine is offering more simplicity.

Ciering authorit

CALL AND THE PARTY OF THE PARTY

in biegonie

talen finitel di

i : fetail wents

er's to be the

The Orbital name sprang from Sarich's first engine idea. in which the pistons rotated, or "orbited". Development has been conducted in unprepossessing workshops in a suburb of Perth in Western Australia. Sarich and his associates believe that the engine will revolutionise the world's motor and marine engine industries. But this 49-year-old son of Yugoslav migrants, who left school at 16, tried being a fitter and is now a household name in Australia, has yet to convince his countrymen.

vince his countrymen.

Listen, for example, to a Sydney fund manager who prides himself on his ability to pick stocks which will be leaders in five years' time; "Any man who can build a company with a value as high as his without producing anything in 15 years must be a great salesman."

The 'Orbital Engine Com-

The Orbital Engine Com-pany is half-owned by Sarich Technologies Trust and half by Broken Hill Proprietary (BHP), Australia's largest corporation and the most acure of its blue

Sarich Technologies was floated in 1964 and its 20 cent shares have tended to move in the erratic manner characteristic of speculative stocks. Once

₹.

PROPERTY

ाः वाद्यस्थात्राम् 👟

t all the migrant—as high as A\$5.50 (£2.6), they made good stories—sank to A\$1.05 after last Octoon which are the stuff of post-war Austraure more remarkable trust a market capitalisation of Marine, the world's number A\$385m. It ranks among Australia's Top 100 quoted compa-

> Sarich owns just over 42 per cent of the trust and his wealth
>
> recently estimated at
> between A\$180m and A\$360m - is one reason he arouses suspicion in Australia.

It is also believed that, were it not for RHP's presence, there would not be a shred of credi-bility for either Sarich or his company. BHP has stuck with him since 1972, when it saw him win the Australian Broadin win the Australian Broad-casting Corporation's televised Inventors series. It has invested about A330m in the project, secured some 360 patents and helped negotiate with the world's biggest engine and vehicle companies.

The idea that the company "hasn't produced anything" is



Raiph Sarich also a misconception. There may be no commercially produced engine. But you can see, touch and test Sarich's brain-child and drive a car with it. In June, the Orbital Engine

Company achieved its biggest breakthrough: a licence agree-ment with Ford, its first succass with any automobile com-pany, covering all parts of the engine technology and defining royalty and other payments.
On the cards are agreements with General Motors of the US

and a large Japanese company, believed to be Yamaha. The Ford announcement followed similar licence agree-ments with the two largest US marine engine manufacturers, which are even more anxious to find an emission-free engine before tighter regulations come in. In June 1986, the Outboard Marine Company, maker of Johnson and Evinrude engines

In May 1987, Orbital joined forces with Walboro Corporation, the US carburettor and fuel systems maker, to manufacture its fuel injection system. Now Sarich is being courted to set up an Orbital production line by a string of US states, including Michigan, Minols and Indiana, and at least three states in Australia. Despite all this, the market reacted nervously to the Ford news. Initially the shares shot up. Then came one negative local newsmaner article cesting.

local newspaper article casting doubt on the announcement and the shares fell back again. So is the OCP engine really destined to be another failure, like the Wankel rotary engine which eventually cost GM an estimated \$1bn (2595m). Or is Ralph Sarich going to turn one of the world's most important industries upside down?

Ken Johnsen, manager of the
Orbital Engine Company,

points to four innovations in the OCP engine.

The fuel injection system. A conventional injector sys-tem normally takes six to 10 milliseconds to inject a fuel and air mixture into the sparking chamber. In the OCP, fuel is injected separately from the air and the process takes just two milliseconds.

Moreover, some 90 per cent of the fuel droplets are less than 10 microns (a micron is a millionth of a metre) in diame-ter, and thus close to vapour form. In a diesel engine, for example, they are typically between 30 and 60 microns, a size which contributes to the formation of particulates, prod-ucing the familiar black smoke

of trucks and buses.

The OCP engine's improved fuel injection system embraces two developments: a special nozzle and the use of compressed air as a transport medium for the injected fuel.

• A means of keeping a rich, ignitable mix of fuel and air near the spark plug, and a progressively leaner mix further

compact pneumatic direct injector Turbulent combustion Exhaust charge control device Low thermal inertia tuned scavenging

The Orbital (XIHB) engine

This produces a layered effect, known as a stratified charge. While it has been achieved in other engines, most conventional engines neous charge. The develop-ment allows the engine to oper-ate efficiently at part-throttle as well es full throttle.

A method of controlling, and thus limiting, the forma-tion and collection of carbon deposits on the injector nozzle. Little is known about this. Johnsen says simply: "We have patented ways of doing this."

 A way to control exhaust emissions - the most difficult and most important development. If pollution were not a problem, it would be easy to extract all gases remaining after the exploding fuel-air mixture has driven the piston-head downwards.

The Sarich team says it has inserted a valve which varies the rate at which the gases leave. Some is kept in the chamber to burn again, elimi-nating unburnt fuel.

Another vital element is the precision microprocessor con-trol system, which links air intake, fuel injection, spark timing and exhaust extraction over the full range of acceleration and braking.

Complaints about the time

the OCP engine has taken to

Marie Barrell and the Marie and the second

reach this stage are partly the result of time spent in the early years trying to refine the four-stroke engine. This rotary engine was eventually abandoned in favour of the twostroke OCP piston engine. The fuel injection and combustion techniques developed on the four-stroke were applied to the two-stroke when work eventu-ally started on it in 1983.

Sarich acknowledges that development of the newer OCP concept has taken longer than he expected. He admits be lacked experience and knowledge of the industry.

Another key factor behind the delay has been his determi-nation to win the best deal possible from the car companies. Convinced he is on to some-thing big, he has refused to succumb to attempts to discover his secrets.

Under their agreements to evaluate the engine, which included options to make and sell it. General Motors, Ontboard Marine and Mercury fully - to "reverse engineer" it and get round the patents. Now, they have either signed licence agreements or, as with GM, are seriously contemplat-

Neither side is saving what the Ford deal is worth, but Sar-ich was known to be holding out for a royalty of \$38 per engine – by far the biggest in the industry's history. His argument is that if there are direct savings of about \$200 in the engine and another \$200 indirectly, its creator deserves a large royalty.

Australia is wondering whether it will benefit from a domestic production plant. A Government study has shown such a project would be viable, but Orbital estimates that it would cost around A\$100m more than its counterpart in the US. The reasons include Australia's fewer working days per year, dearer component supplies and the need for larger working capital.

The big unanswered ques-tion is whether Sarich's tech-nology will be universally embraced. The chance of any one producing an engine which is half a conventional fourstroke engine's size and weight while improving drivability, fuel economy and emissions must be one in a million.

The chance of such a development being transformed by the same team into a successful business is even le

Of the sceptics, Sarich says simply that they cannot win, since if he fails, they gain nothing. If he succeeds, however, he will be the one to go down

Electronics gives a bird's eye view

John Hunt finds that ornithologists are making the most of modern techniques

printing, is transforming the work carried out in the UK by the Royal Society for the Pro-tection of Birds (RSPB).

The traditional birdwatcher who tramps the moors with notebook and hinoculars still has an important observational role in ornithology. But modern technology has provided a powerful additional weapon.

Tim Stowe, who has worked for the RSPB oo radio telemetry (trading), so radio telemetry (trading).

try (tagging), says: "It means that we can get a more complete picture of bird behaviour than we have ever had. The alternative would be to have a person watching the nest 34 hours e day."

A radio transmitter the size of a fingernail and weighing 4 grams is attached to the hird's back. A hair-like aerial runs through the feathers and the device gives out bleeps which are picked up by a radlo

It has proved valuable in investigating the habits of the illusive corncrake which con-ceals itself in dense vegetation. The position and movements of the birds can be gauged by the strength or direction of the

radio signal.

The pattern that emerges shows the importance of haymeadow cover for corncrake chicks during the summer. When the hay is cut, nests are destroyed and chicks killed, so a change in the mowing pat-tern could save many of these young birds.

An even more ingenious device is a realistic glass fibre egg containing temperature sensors and light detectors. Planted among the real things, it gives data about incubation and the lengths of time that a female stays away from the

Minnte electronic balances, resembling a perch, are being used to study the breeding habits of the Artic tern. A compar-ison of weights gives informa-tion about the health of the birds and why populations decline in some areas but not

The US's Landsat 5 satellite, which records infra-red energy reflected from the earth's surface, is being used to survey tain ah incident which few details are known.

Different types of vegetation

igh-tech equipment, including satellites computer at the Royal Aircraft Establishment, Farnborough, interprets the data to give visual representations of for-est, grassland and farmland. This can be used to predict

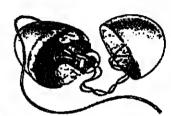
the likely habitats of various species in remote areas. A check by observers on the habitats of the dunlin and goldeo plover in the Flow Country of Caithness and Sutherland, in Scotland, carried out by Mark Avery of the RSPB with the University of Nottingham, confirmed the accuracy of the sat-ellite's predictions.

"This is a very new tech "This is a very new tech-nique and we regard ourselves as one of the leaders in this field," says Avery.

Genetic fingerprinting, of the type used by the police to establish the identity of a crim-

inal, bas proved valuable in investigation bird relationships. By specially treating a sample of DNA, extracted from blood or tissue, it is possible to identify a bird's inherited characteristics.

In this programme too the RSPB has worked with Not-



tingham University. They have looked into the drop in the red kite population in Wales, where the findings showed that, contrary to expectation, there was still sufficient genetic variation for the kites to breed.

Another survey on breeding showed that about 60 per cent of the young of house sparrows were the result of "extra marital" relationships, One of the RSPB's main

activities is to combat the theft of eggs and rare birds, particu-larly birds of prey, Peregrine falcons, used for hawking, are sometimes illegally exported for as much as £3,000.

The society's computers contain about 15,000 names and incidents - a unique database for the investigation of such

Unit Trust Year Book 1988

The explosion in activity in the unit trust market means that the investor now faces a choice of more than 1,200 authorised trusts offered by more than 160 management groups. The Unit Trust Year Book 1988, extensively revised and updated, simplifies this daunting task. By providing comparative performance tables for both individual unit trusts, sector performance and management groups, the Year Book offers a wealth of statistical information on which investors can base Published May 1988

Investment Bond Year Book 1988

Designed as a companion to the successful Unit Trust Year Book, the Investment Bond Year Book fills a major gap in the published information available on investment bonds and the linked insurance funds. The Year Book specifies the benefits of a single premium investment-linked policy, defines its potential benefits, illustrates the range of options available, analyses the products in the market, assesses their relative merits and calculates and compares performance. Published May 1988

Private investor's Ledger 1988-89

The ledger enables the private investor to keep a total record of all his investments in one place. Making entries and calculations becomes easy and convenient. Purpose-designed sections enable you to record in a professional way your fixed interest stocks, shares, overseas investments, monthly valuations, Building Society and bank deposits, National Savings and all other investments and insurance policies. There are key data from this year's Budget, updating information on tax rate allowances, and Capital Gains Tax. Back-up informatioo and reference data on dealing and taxation are also provided. Published April 1988

The 1988 Investor's Companion to the Top 100 Companies

This is the first and only comprehensive guide to the components of the FT-SE 100 Share Index. The Investor's Companion explains how each company works, provides a perceptive appraisal of their performance, and analyses each company's operations and husiness position. Introductory articles cover financial and technical analysis, traded options and city economics. Written in association with Shearson Lehman Hutton Securities—one of the UK's leading stockbrokers and market makers—this is the essential handbook for the successful investor and a vital addition to every professional adviser's library. Published June 1988

Financial Planning for the Individual

by Alan Kelly, Partner, Grant Thornton (2nd Edition) This guide provides you with essential information on investment planning, unit trusts and investment bonds, pension arrangements, tax planning, personal pensions, personal equity plans, a Personal Financial Planning Questionnaire and a 'Dying Tidlly Log' A 1988 Budget Addendum is included. Published in association with the institute of Chartered Accountants. Published October 1987

A Guide to Financial Times Statistics

Do you really know how to get the most out of the statistics pages of the FT? The Guide provides the answers. It gives all

Financial Times Guides to Investment and Financial Planning FINANCIAL TIMES TIMES TIMES

ī	ORDE	The Marketing Department Eigencial Tim	nes Business Informatioo, 7th Floor, 01-799 2002 (Mail order address only).
Ī	Picase not	e payment must accompany order. Prices includ	e postage and packing.
i	OFFICE USE ONLY 4480 0015	Please send me copytopies* of Unit Trust Year Book 1988 (£25.00 UK or £30.00/US\$45 oversess)	1 enclose my cheque for 5/US5
į	4534 0285	investment Bond Year Book 1988 (£25.00 UK or £30.00/US\$45 oversess)	Please debit my credit card (mark choice) Amex Diness Access Visa
Ī	4571 0220	Private Investor's Ledger 1988-89 (\$6.50 UK inc VAT)	Card No.
Ī	4510 0390	The Investor's Companion to the Top 100 1968 (£15.95 UK or £18.00/U5#30 overseal)	Expiry DateSignature
	4340 0270	Financial Planning for the Individual (£9.95 UK or £12.00/US\$17 oversess)	BLOCK CAPITALS PLEASE
Į	4376 0155	A Guide to Financial Times Statistics (£11.50 UK or £13,00/U\$\$19 overseas)	MolMarida
I	4455 0040	Working Abroad (£8.95 UK or £11,00/U\$\$16 overseas)	Title
	4558 0280	Understanding Finance with the Financial Times (£5.95 UK or \$8.00/US\$12 oversess)	Organisation
l	4467 0060	Public Relations Vear Book 1988 (£19.50 UK or £23,50/US\$38 overseas)	Postcode
ŧ	4303 0260	Investing for Beginners (\$9.50 UK or \$12.00/US\$17 oversc2s)	Country
	4297 0215	Investor's Guide to the Stockmarket (£9.50 UK or £12.00/US\$17 overseas)	Signature Date
ı		"I wish to order 5 or more copies. Please send details of bulk	Please allow 28 days for delivery. Refunds me given on books sensesed white 7 days of receipt and at good condition. FF Basiness information 16.6. Rejuscoid Office, Specken House, 19 Council
		onter discounts or relephone	The London Body Ally Resigned in England No. 980896.

the information to make the FT work for you and enables you to benefit financially. It includes a revised chapter on mmodities, and essential information on the World Stock Markets following the Crash of '87. Invaluable to both the expert and the general reader wishing to know how the

Published April 1988

Working Abroad —The Expatriate's Guide

by David Young (3rd Edition)

Considerably expanded, the 3rd edition of Working Abroad is the indispensable guide to living and working overseas. Offering advice on all the essential aspects—both personal and financial—of moving and working abroad, the book helps expatriates to maximise the benefits of overseas employment. Published November 1987

Understanding Finence with the Financial

by Terry Byland, FT Journalist

As the title suggests, this book in conjunction with the Financial Times will help explain the workings of the financial world. Cootents include: the workings of the Stock Exchange following the Big Bang of 1986, the calculation of the FT index. the London Share Information Service, Trading on the Stock Market, the Government Securities Market, UK company results, takeover bids, international eompany results and progress, the International Capital Markets, commodities and Agriculture, UK and International economic news, national and international editions. Essential for executives, new investors and students Published February 1988 by Harraps

Public Reletions Year Book 1988

The Public Relations Year Book, published in association with the Public Relations Consultants Association, gives you instant access to the best PR has to offer. It is full of relevant information on the many experienced and professional member consultancies operating today, and their particular specialisations. Whether you are already using a PR consultancy or are considering using one, the Public Relations Year Book will help you to decide the most suitable solution for Published January 1988

Investing for Beginners

by Daniel O'Shea (4th Edition)

Aimed at taking the investor through the complexities of the stockmarket from scratch, Investing For Beginners demystifies the basic principles of the markets in a practical and authoritative way. It examines a range of investment-related issues and has been revised to reflect recent radical changes in investment and taxation and their effect upon the investor. Invaluable to those new to the Stockmarket as well as experts. Published August 1988

Investor's Guide to the Stockmarket

by Gordon Cummings (4th Edition)

Completely revised and updated in the light of the 'Big Bang' this edition explains the workings of the stockmarket and how to profit from it the D-1-Y way. It gives advice on how to set up and manage an investment portfolio, and make the best use of your capital.

Published November 1986

1.3 41

A second distribution of the second

The state of the s

New Life Pen Tat Man Ca Ltd (1800)8 99-101 Ledon Rd. Sevenata 2010 Undon Rd. Sevenata 2010 Undon Rd. Sevenata 2010 Undon Rd. 32124 334.2 349 24-1234 2010 Undon Rd. 3126 4187 443.1 113.0 Undon Rd. 3126 4187 443.1 113.0 Undon Rd. 312.0 122.1 122.1 123.1

FT UNIT TRUST INFORMATION SERVICE

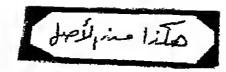
		FI UNII	TRUST INF	URMATION SE	MAIOE	
AUTHORISED Asset U	Init Case. Bid Offer or Yight Case Price Price Price - 874 mit Trest Magyrs Ltd (0980)F Burrage		Init Crec. Bid Other or Yield Chape Price Price Price - Bro resiment Managers Ltd (1200)H a George St. Glasson - 041-932 3132	init Com. Std Office of York Comp Pace Price Price Std Hambres Bank Uart Tet Mgrs Ltd (1.000H M	T & Sectutive O. (0.173)	The Court and Street of The Court of the Cou
	17 346.17 95.03#194371, D.35 CCI Heli	18 FT. 14/51-63 51 48 52.171-0.010.39 Do (Account to the County of the C	Gent 616.56 In 36s I7 63 6 32 20 18 18 18 18 18 18 18 18 18 18 18 18 18	Amer Equity has 3 55 97 55.97 59.39 40.40.20	res (barry, Tener HU, ECSF & CO. 18 Sept. 18 Sep	SUPERIOR SUP
Abbuy Unit Tst Mngrs (1000)H 80 Holdenburg Rd, Bourtemouth 0345717979 Mngd Eapt Bloth Mathema	196 Jac 196 Con Con Cast 150 Con Cast 150	it Tst Managers pic (1200)H De (Ach Contons Leve Los SE1201 012346000 Service (loc 19401 95.23 100.51-0.1319 De (Ach	m) 62504 2752 3120-071 45 motorth 647 33 47 99 31.06-4251 32 m) 85522 56 01 5919-606 35 G1 66544 63.44 6462-020 07 mt 67.01 77.01 71.23-020 0.7	North American 59.55 58.56 61.54-67.51.27 W Result American 59.55 58.56 61.54-67.51.27 W Resulter & Results 563.79 63.79-658.07-64.51.55 Co.	STANDARD STA	ean Acres Conserved Conserved Conference Conserved Conference Conserved Conference Conserved Conference Confere
High Inc Equity	C	Managers Limited (1000)H Fide.III ebora, Lestos WCIU 679 01-2421148 120: 120: 120: 120: 120: 120: 120: 120:	ty Investment Serva Ltd (1200)F norther Rd. Technique TR11 90Z Dealings Numbers: Private Clients 0000 414161 Broken Dealings 0000 414161	Studier Companies . 9 34 11 54.11 36.29 40 2011 32 UK New Generaldo. 238.48 36.48 40.994-emil. 30 Handerson Unit Tut Mogent Ltd (120478) Admit. 5 Roylette Rad, Instan. Brestwood, Esser Admit. 5 Roylette Rad, Instan. Brestwood, Esser	Bugshar (1984) - 342.71 247.84 282.01 22.14	and hereby 1912 to 1 200 to 90 (1915) Of the Conference of the Con
Correctly & Engery at 68:51 88:51 at 94:67 at 91 big 35 Busine S European Capital at 77:25 77:75 78:43 -35:61 96 Brit & O'v General	St. LONGON, ECAR 1881 01-236 4210 Canada L	ife Unit Tst Higgs Ltd (1200)F Amer Son Potters Bar, Herts 0707 51122 Amer Son	10 27 49 27 49 27 47 47 48 18 18 18 18 18 18 18 18 18 18 18 18 18	Facely of Income\$1,4751,4751,5000\$1,675 72m3y Weekerson\$1,4751,5041\$282 W. 74m3y Weekerson in _\$4,4751,4751,5001\$282 Y. 14m3 Yanda\$4,4751,4751,5001\$282 Y. 14m3 Yanda\$4,4751,5001\$4,675\$5,001\$213,544 Sec.	ments (1971)	or Name, Arthur S. Ecol (1904) (1), 423,1750 (1), 10, 10, 10, 10, 10, 10, 10, 10, 10, 10
UK Growth Acc	Unicorn Ltd (1000)H Gill & Fach & 252 Romford Rd, E7 01-534 5544 Caseson F	Ha 3 150.00 86.46 93 12 -0 07 5.26 1992 E.	Incid54 20 52 40 52 40 59 40 10 10 10 10 10 10 10 10 10 10 10 10 10	Sential Stem	them limited	
Aftrust Management Ltd (1000)H 10 Queen Terrace, Abstrien ABP 10.1 024 633070 0 Gantal 30 Firstory Circis. Londos, (CSM 700 01-374-8601 0 Euro Gel Dealing Trengthous Book 033350 0 Euro Gel American 54 43 03 43 02 45 77 4 441 9 0 Euro Gel Astrantian 54 23 03 43 02 45 77 4 441 9 0 Euro Gel Dealing Trengthous Book 04 22 21 40 0 Euro Gel Dealing Trengthous 04 20 21 40 0 Euro Gel Dealing Trengthous 04 20 21 40 0 Euro Gel Dealing Trengthous 04 20 21 40 0 Euro Gel Dealing Trengthous 04 20 40 0 Euro Gel Dealing Trengthous 04 20 40 0 Euro Gel Dealing Trengthous 04 20 0 Euro Gel Dealing T	 54 129.4 130.3 139.0 +0.811.61 01-902.887 55 176.91 76.51.881.61.40 343.51 Growth 46 52 66.22 66.23 767 +0.911.03 become with inc. 54.6.86 60.000 66.42 19.811.03 Fee East 8 57 57 61.73 62.24 50 North American 53 54.00 57 57 61.73 62.24 50 North American 54 10.07 92.27 98.22 62.25 55.66 	6. 931-50 33-34 37 644-9312-87 less Bore 9 79-60 42.21 45-111-034-61 less Bore 9 79-60 42.21 45-111-034-61 less Bore 9 79-60 42.21 45-111-034-61 less Bore 9 79-70 27, 73-70 27,	155 (2) 34, 101 7 102 20 109 7 44 09 5 48 1 2 3 4 101 7 102 20 109 7 44 09 5 48 1 3 4 5 4 6 6 6 6 6 6 7 5 2 7 6 7 7 7 7 7 7 7 6 7 6 7 7 7 7 7 7 7	High Lazane Points Income 6. Garza 34, 176 8 176 8 190.3 -73 67 (a. (Access Units)	term the first	Frey Marrier Hall Migra Lift (1280)F Charleson F. Lyndra WCL 2844 (1280)F S bin to 485 23 23 43 40 73 48 18 18 18 18 18 18 18 18 18 18 18 18 18 18 18 1
European 54 44 53 44 53 7 30 4.26 De Francis Extra Incame 37 25 37 25 37 25 49 54 4054 62 00 500 Part St. 54 56 7 56 57 56 57 29 0 400 L00 De Georgia De Accum 54 22 15 22 154 20 54 69 00 [10]. DO Georgia Gilda F. Jones 54 22 15 22 154 20 56 69 00 [10]. DO Georgia Gilda F. Jones 54 22 15 22 154 20 56 00 00 [10]. DO Georgia Gilda F. Jones 54 23 25 25 25 25 26 26 00 00 [10]. DO Georgia	54 337 1 345 1st 388 1 +1.0 2.65	86 345 71 83 71 90 13 80 06 07 80 80 80 80 80 80 80 80 80 80 80 80 80	ALL CO 34 757 77 77 77 77 78 78 7	STATE GLIL STATES AND STATES AND	Em & General 9927.99 920 4 973.5 4 1 1 100 Emele Com Unital 540.01 967 6 2044.0 -4 40.00 Emile	Profession Science 2004 2011-11-11 Commercial Science 47 Majorit (1600)
Japan Schol 30 161 30m17 60 1 4 40 0.01 50 Jpn & 66 Mpn &	ESts 5-1 48.24 48.46 51.69 40.50.00 European Sp (d) 5-4 100.9 102.7 109.5 -0 80 Far East So! y 5-4 262.7 266.7 264.5 +1.92.45 Gold & Gene	Deather 01 407 AMA	min Gran - 54, 43 54, 43 56, 160,51	1	Salas C	
Aegis Unifi Tst Mingmt Ltd (1.400)F 4 Whitelades Rd, Gristol, BSS 10% CAMoo ind Recovery . 3 44 74 46 30 40,741-407() 50 St Richelas St Edukur	345 34 126 0 17/3 19/4 7 47 663.66 ch Acc 54 54 54 3 54 67 56 53 40 120 27 Capital H ch inc 54 53.56 54.09 57.70 40 120 27 Capital H ch inc 54 53.56 54.09 57.70 40 120 27 Capital H chie 54 129 2 129 9 128 61 49 51 29 031 278 64	oanse Unit Tst Myrs (0905)H Sercial Security Forcist Services Security Control of Contro	549716 9116 1004-039 - stada 549144 9344 1006-171	Hora Kore 54 51,97 53 97 57 511-425 0 00 UM	mittaget Sep 14 . 14 105.2 提表 NFtt	Com State of
AEtna Unit Trusts Ltd (16001F AEtna House, 2-12 Pentorville Road, London, 81 906 Baring F	Acc. 23/0, 3 700 9 407.31.4.812.24 Empirical Color of the Color of th	th \$4 17.06 17.2m 18 32 d 34.5 63 Earopean 50 \$4 17.07 19.82 21.08 4071.78 Fe kingdal 51 \$4 22.31 22.444 23.87 40.84 Fessols 51 \$4 21.47 21.67 23.05 -1.67 Fessols 61 16 18 18 18 18 18 18 18 18 18 18 18 18 18	int 363.5 43.5 67.70 400215 77 56.19 71.10 47.15 47.15 78 543.41 43.41 44.57 4542.45 663 75.20 56.50 110 40 720.77	Pacific Scalle Dat. 5 to \$2. 24 at 25am 0 44 100 to 00 00 00 00 00 00 00 00 00 00 00 00 00	Hit House, Heave Mr. Worthing Star 03-427-2277 Miles	Charpeter Unit 13st Mingre (1200H) the Hears, Pertension 0705 527735 1 0705 501272
Accum Units) 3 957.1 977.1 1006.4 4 0.4.71 Comer-like Far Estern 3214.1 214.1 223.9 -0.40.00 Eastern 3214.2 214.1 223.9 -0.40.00 Eastern 120.00 Fin & Froperty 327.4 251.4 251.4 27.4 -0.50.00 Eastly froze Fin & Froperty 327.7 25.9 3.3.7 -0.3.6.6 Eastly froze 327.0 25.9 3.3.7 -0.3.6.6 Eastly froze 327.7 76.77 81.37 -0.36 6.6 Gold Group Strict 328.2 28.2 2 193.0 4.6 65 Global Group English 328.2 28.2 2 193.0 4.6 65 Global Group English 328.2 28.2 2 193.0 4.6 65 Global Group English 328.2 28.2 2 193.0 4.6 66 Global Group English 328.2 28.2 2 193.0 4.6 66 Global Group English 328.2 28.2 2 193.0 4.6 66 Global Group English 328.2 28.2 2 193.0 4.6 66 Global Group English 328.2 28.2 2 193.0 4.6 66 Global Group English 328.2 28.2 2 193.0 4.6 66 Global Group English 328.2 28.2 2 193.0 4.6 66 Global Group English 328.2 28.2 2 193.0 4.6 66 Global Group English 328.2 28.2 2 193.0 4.6 66 Global Group English 328.2 28.2 2 193.0 4.6 66 Global Group English 328.2 28.2 2 193.0 4.6 66 Global Group English 328.2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2	de 5166 26 67.18 71.28 40.56 5.3 41 clas wiii	Charicharett (1000)F Iam Street ECAR 945 al H 18.3 7 163.7 167.4 46.4 19.77 L14 R 262.1 622.1 632.2 1.394.7 L14 R 262.1 123.1 632.2 1.394.7 L14 R 262.1 123.1 632.2 1.394.7 L14 R 262.1 123.1 123.1 124.0 124.0 125.0 125.0 12	15	Enromet Funds (April 1997 - 1	A Unit Treet Management (1200)H (Action Contact (1200)H (Action Contact (1200)H (1200)	00 10 10 10 10 10 10 10 10 10 10 10 10 1
Therun Growth	la 91300 140.1 149 5 4000000 Chase Mai ne 5 1438 145.14 134 8 - 130.00 PO Box 14. C pec 5 42.07 43.50 45.16 - 021 0 5 5 C Sec 14. C 5 5 8 32 99 04 62.65 - 0.07 2.4 Med Division	shatten Fund Nines 14 (1400) Area Sal	Next	Pacific Errort		Section 3.1 (67.29 66.36 7) 48-0.216.76 Emily (1975) 3.1 (1975) 4.
Liquer Units	merica 3100 3 101.2 108 0 9-31 0.5 merica 345 9-4 6.2 de 9-11 0.31 1.5 Citicary II or con 310 2 9-5 9-5 9-5 77 0.51 2.0 for con 310 2 9-5 9-5 9-5 77 0.51 2.0 for con 310 2 9-5 9-5 9-5 77 0.51 2.0 for contact in the c	mit Tst fägrs Ltd (1900)F yleigh fil, Hutton, Brentwood, Esser 77 2273(0) Design; 0277 24,1010 Gensell V 24 40 24 48 24 49 1 22 0 0 0 0 47 24 45 74 45 74 48 64 64 0 12 25 65 65 cm V	6 & Gill 3 1003 102 9 100 6 90 18-41 18 5 1437 1474 155 36-71 6-41 18 5 105 5 107 6 12-0 15 10	Higheliffe Delt Tst Magant Lin C.100M	try First	1980 - 1987 - 19
General Units)	4 St. Language 12 St. 20 St. 2	647.84 47.84 50.96 id 39(5.11 Fleascht 08in 2 - J 103.4 105 de 103.10 de 4-0.10.75 Frest Accounting & Merge 0 Cospital Horse, London SCI celling: 01-503 60e4 50.56 in 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	HES \$44.52 44.52 44.50 10.01 10.07 Growth \$156.0 159.7 1685-024.19 HES \$174.5 178.7 1685-024.19 HES \$1433 1475 117.240.18.10.00	E-112 112 120 130 40 32 01 K	Smaller Cos 51, 139,9 139,9 148,71-0 211,39 Special th Apperican 51, 62,73 64,54 68,59(+2,76)0.07 (Account	Hotely 34 (A.M. 70.25 7) 77 (420.07) Com- -07 54 13.58 25.2 46 73 (40.24) East Unital 54 13.80 34.46 57 70 (40.97) 35 13 13 13 13 13 14 14 15 13 13 13 13 13 13 13 13 13 13 13 13 14 14 15 13 13 13 13 13 13 13 13 13 13 13 13 13
Alichurches law Mgmt Servs Ltd (1280)H 19/21 6illiter Street, London EG3M 2RY 07-528/7344 Amity Jacone 9 51 64 52 254 55 - 37-60 38 62 14 merustional Anity Jacone 9 52 65 95 90 18 62 17 60 13 82 18 66 Foreit	Acc. 321.76 122 11 2134 -2.64 Brigatesan	Right 143.7 206.1 Reserved Re	5118 5 118 5 123 5 124 6 0 14 34 6 0	For fact 9	rtin Cutrie. Unit. Yrusis 1.44 (0965)41 Messa Mehrile Street, Belsharph E1G 71F 0.31-226 4177 US Smi Font Phelicolo	denum Salari Volta 72 and 120 of Cir. The Control of Cir. The Cir. T
Allied Dumbar Unit Tats PLC (1600)F Allied Gunbar Centre, Serlacon, SM1 121. 173 31-51-4 173 31-51-4 174 31-51-4 175 31-51-4 1		edical Unit Tst Mgrs Ltd (1680)H Bristol 852 O.H 0.0000 373393 Rabert	rs	Habit Text 9	American Co	ettes Acc 4. 3 55.73 as-74 60 971-0331.57 Jane 1000 Acc 4. 3 55.73 as-74 60 971-0331.57 Jane 1000 Acc 4. 3 55.04 53 22 56.04 53 22 56.04 50 78 45.04 50 78 56.04 5
Balanced	12 175.0 189 4 197.7 1845 Bracon Growt 1864. 5 1972.65 96.92 105 1 1845 Bracon Growt 1864. 5 1972.65 96.92 107.2 1845 Bracon Growt 1864. 5 1972.65 Bracon Growt 1865. 5 1972.65 Bracon Growt 1865. 5 1972.65 Bracon Growt 1866. 5 1972.65 Bracon Growt 1866. 5 1972.65 Bracon Growt 1867. 5 1972.65 Bracon Growt 186	h	Prevident Unit Trusts (1000)F nrt, Salkiny, With 722 41141, 64 230 66 244 49 6 50 00 562 19 42 19 425 27 6 871 00	Juniter Unit Tst Mages Ltd (8945)H International Company St. (19745) International Company St. (19	eral Sen 12	Dirt
Aner Spec 515	ral 54 22.73 23 49 25 02 07 17 13 Special Ses	ac 6 22.52 22.52 23.96 -0 05.547 Do Accom	1064 - 201351 11157 11977 - 8.01 1064 - 201351 11157 11977 - 8.01 1064 - 201351 11157 11977 - 8.01 1064 - 201351 11157 11977 - 8.02	Key Fund Managers Ltd 0.2001F	the Final	011 71 19 22 123 33 4 0 0 1 10
Japan	3256 4 70.2.1 77.5.3 •0 12.70 S. Heler's 11. \$143.4 145 4615.5 •0.11.97 CU UK & Con- \$124.11 24 13 25.72 42.51 50 De Accom- \$124.11 24 13 25.72 42.51 50 De Accom- \$124.11 24 13 25.72 42.51 50 De Accom- \$124.11 24 13 25.72 42.51 60.57 70 CU Bootte \$124.51 24.51 24.51 40.51 35 De Accom- \$124.51 24.51 24.51 40.51 35 De Accom-	Inderhart, ECSP 3DQDealing 01-659-9618 Do Accom prol 552-30 52-30 555-54 d2P1247 FP Proc Ba 	Sin Ord 517 % 151 66 192 % 451 177	Higher transme \$124.40 135 to 145.50 -0.10 5.56 (and september 1 56.76 56.76 56.71 46.25 6.36 (dec. september 1 56.76 56.77 45.0 46.25 6.36 (dec. september 1 57.43 54.77 45.43 46.25 6.36 (dec. september 1 57.43 6.36		Server, Lundon, ECZY SCH 01,4703,9120 Dote 11,4703,9120 Dote 12,4703,9120 Dote 12,47
Smaller Car's	688	545-21 45-21 48 35 40 50 40 Do Acom 334.70 54.70 34.01 40 00 Do O Do Acom 334.70 54.70 57.01 40 00 Do O Do Acom 0 534 65 34.86 37.01 40 00 Do O Do Acom 0 534 62 32 62 32 66 30 4 32 00 C Do Acom	27 19 58 150 27 19 38 44 37 19 58 58 58 58 58 58 58 58 58 58 58 58 58	Relative Rest Res	page income	Tyust Managers Ltd (1000)H Notices, WC2V 768 01-831 2657 Sent Engelry No. 01-403 8441 Err. 4772 150 S
Anderson Drine Unit Tet Mgrs Ltd (1200)F house Growt 62 Loedon Wall, Loedon EC2R700 01-638 1200 Growth Internacy 219-0 201,1 206-31, Backmastr	Unit 1st Mgmt List (1408)F Portoans 6, WTB 0.R 01-755-392 1st	2 54 65 78 48 78 51 63 61 10 40 67 12 12 12 13 14 15 40 67 12 13 14 15 15 15 15 15 15 15 15 15 15 15 15 15	Managers L2d (1200)H 8 Descript Sq. Landon EC2M 4Y3 50 Descript 11-625,9431 d5 L121.70 123.70 132 491-6265 27	City Visid	1 (22.43 52.45 52.61 14.00 18.79 19.15 19.	146.4 144.4 147.0 (0,612.2 285.1 148.0 (1,612.2 285.1 148.0
Anthony Wieler Unit Tst Mgmt Ltd (1900)F Fellowship Ts General Value Growth Isosone	14	les Funds Mingt Ltd (1200)F Exercit (1200)F Instruction (1200)F In	2212.30 222.30 223.50 40 40 2.06 12	Amer Sealer Cos 3-37 \$1.89 \$2.48 \$6.04 -1.25 \cdot \$1. \text{ High Amer Sealer Cos 5-37 \$1.28 \$5.45 \$6.12 \$77.57 \cdot \$1.10 \text{ \$5.} [Account United to 5-37 \$6.88 \$4.88 \$4.78 \$3.40 \text{ \$1.50 \$5.50 \$1.00 \$5.00 \$1.00 \$1.00 \$1. \$1.00 \$5.00 \$1	Interest	ete Administration Ltd (1789) Americans S. Leone WCLR 472 (222 4444) Earon Acam (28 454) A.50 (12 444) Americans S. Leone Acam (28 454) A.50 (12 444) Americans S. Leone Acam (28 454) Americans S. Leone Acam (28 454) Americans (28 454) Americ
Arkwright Management (1400)F King St, Manchester Med 3AH Grawin Seni 20 \$90.60 96.60 96.30 \$5.22 Jacobs Sepi 20 \$90.60 96.60 96.30 \$5.22 Jacobs Sepi 20 \$90.60 96.40 96.30 \$5.22 Jacobs Sepi 20 \$90.60 96.90 \$5.22	131.7 134.2 144.7 29.9.70 Preparty Start 13.0 15.0 15.4 111.7 19.3 11.8 11.7 19.3 11.8 11.7 19.3 11.8 11.8 11.8 11.8 11.8 11.8 11.8 11	22 2 22.40 24.87 - 0.10 0.0 Ear East 6 4 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	Gen 5 LD1A 10 11A 10 125.10 -0 440 32 5 LD2.70 222.70 286.90 -0 10 0.25 5 L 50.50 50.95 60.34 -0 77L-57 5 L 48.50 48.67 52.01 60.30 600 5 L 50.58 58.95 42.53 1-0 10 2 87	European 51, 86.12 86.12 91.48 40.817.07 Japa Germa Units , 51, 100.4 106.4 115.1 + 1.12.07 Ger Fund of her Tal., 51, 29.6 22.98.23.44 40.652.31 Macci German Bolton 51, 20.30 50 32.44 40.622.31 Macci	SURT 9 187.9 197.9 199.4-0.000 00 promising state of the	mmf (arth , a-54; 2742, 2742, 2742, 2842, 2844, 271, 2-55 ff (4)4, 4, 4, 4, 4, 4, 4, 4, 4, 4, 4, 4, 4, 4
I.G INDEX LTD, 9-11 GROSVENOR GARDEN	VS, LONDON SW1W OBD	Unit Tat Mingt Co Ltd (1208) See Lands ECRTPA 01588604 Surfaces Lands ECRTPA 01588604 Surfaces Lands ECRTPA 01588604 Continue Lands ECRTPA 01588604 Contin	19:01-234.3685	Group Valls)55/123.3 126.4 134.5144.0(1.63. VACS	lin Fund Manuart Ltd (0905)F	th
Tel: 01-828 7233/5699 Reuters Code: IGI FT 30 FTSE 100 Sep. 1431/1440 -9 Sep. 1777/1787 -8 Dec. 1445/1454 -9 Dec. 1797/1807 -5	WALL STREET Oct. 2083/2095 -8 International A	552.71 53.34 53.55 57.07 43.71 2.7 Do Glass 4.5 55.76 55.23 97.65 43.71 2.7 Do Glass 4.6 55.34 53.65 57.07 43.77 2.7 Do Glass 4.6 55.46 54.29 57.76 43.17 2.7 Do Glass 4.6	97.15 57.15 61.28 9.80	Sensity Cas. 5-1 108.7 108.7 115 4 4 1 2 3 Da	repolition Unit Trest Mages Ltd (1900)F America Com & C 485 Lam, Potters for C46 1AJ. 0767 45184 Euro Gert come	h & inc , \$140.00 40.00 42.82 40.382 48 SK 54 Gree \$ \$114.6 115.34 127.4 -0,74.34 UK 56 125.6 275.6 275.5 51.3 0.25 https://doi.org/10.25 http
Prices taken at 5pm and change is from	previous close at 9pm Crown Unit	1	561 19 61 19 66 61	E	" Harris	team 1153 1153 1231 +290 20 Japane
CROSSWO	Growth	54, 20,56 20,56 21, 93,40 00 1, 07 Fixed igash 54, 20,56 20, 20, 20, 20, 20, 30, 30, 40, 40, 40, 40, 40, 40, 40, 40, 40, 4	523.42 23.42 23.43 17.97 Sen	Sect	m Letters 5 107.5 107.7 113.5 40.5 Worldwid Worldwid UK Equity High les 54 65.14 67.17 71.46 4 1 1 11K Equity Expression	riec,
No. 6,741 Set by CIN Across solutions include the 1 7, 9, 12, 13	EPHILE Crusader (s	7, 3-1, 27, 3, 27, 1, 27, 2, 1, 1, 1, 1, 1, 1, 1, 1, 1, 1, 1, 1, 1,	5.334 1534 1649 0.75 5.73 1473 15741 0.75 660 5.777 777 7547 0.04 5.777 787 1500 212	Piery House, Control forc. ECR 79E 81-985-2800 Merc. ECR 79E 81-985-28	The state of the s	Acc
28, 29 being part of a famous one.	intramational heritametrical heritam	\$	1 00p = 120 13 20 13 70 00 10 13 10 10 10 10 10 10 10 10 10 10 10 10 10	120 140 140 140 140 140 140 140 140 140 14	United St. 401.76 67.74 32.97 48.11 32.74 48.74	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1
9 20	9 The Crement, Total Performer	Unit Tet Most Ltd (1200)H Enrys to Or Physiosia PLI 345 7522473073 Far Esti- 1814 464 73.121 Per Per Indian Am I Tat Mangarit Ltd (0905)F	90.5 92.7 92.7 61.70 0.40 0.40 0.40 0.40 0.40 0.40 0.40 0	SCHOOL & Growth \$ 251.8 251.8 270.0 40.15.77 Sept.	7 (1810) 1222 1223 1301 6.40 70 23-31 Mo 1501 1523 1524 1421 -0.81 50 PM Egolds 1617 1678 1785 -0.91 50 PM Isoon	nt Maturi Unit Tat Mgus Ltd (09-05)# Per Per orunt, Louis, EC2668. 01-588 3963 Per Le (615 31963 100 7 117.7 - 0.71.27 Per Se c 6.65 594.8 96.17 1023 - 0.213.77 Per Se or Co 594.8 96.17 1023 - 0.213.77 Senth
TE TO THE TENT OF	Discretiona	This Minagent List (0945)	13 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	Japan 4 Per GU \$65.31 65.31 70.07 -0.10.00 - Terris	1	am 64 34.21 45.94 45.95 40.57 75 0cty 60 167.77 48.07 72.41 -0.1034 0cting as 64 - 376.11 40.13 49.07 16.910,96 Americ iel Hothern Unit Tsts Life (1445)8 Emplo en MR, Brod. Emerical 201. 40.476 3377 Emplo MRS Hother Line (800 010545
13 14 5	Do Accum Sept Orneumannel 20 Continui Am Gen Can Fel Am	16 \$2223 2739 2704 5.20 UK Earthy 9 Fixed Masort Ltd (1490)F Fixed Masort Ltd (1490)F Armican 9	Depth	### Comparison Proceed Figure Procee	mai Coviti. 3 % 62.77 48.07 51.50 10.161.06 Prusilent Fibrary 1 47.78 77.95 50.49 mile 50 Prusilent Fibrary 1 47.78 77.95 50.49 mile 50 Prusilent Fibrary 1 47.78 77.95 50.49 mile 50 Prusilent Resident 1 47.80 77.95 50.49 mile 50 Prusilent Resident 1 48.65 67.79 50.29 mile 70.79 50.49 mile 50.49 60.40 50.20 mile 70.79 50.49 mile 50.49 60.40 50.20 mile 50.49 60.40 mile 50.40 mile 50.	Two floats Pricing Harris G 58.99 58.99 67.82 40.83 0.49 FEast E Britis inc. 459.99 60.51 to 67.72 40.72 4.45 Intil Gro Britis inc. 5974.85 482.07 510.11 -1.918.01 Intil Inc.
18 19 20	Dustienti Tri 54 St. James's S	Car Class 21 40 20 E3 40 -0 10 40 Michael Inches		Water Branch Bar St. Ready at Land St.		h Amer 4 71_22 71_22 75.85 +8.440.78 UK C-
21 22 24 24 24	125 f J J J J J J J J J J J J J J J J J J	(8.54) 33.23 33.22 35.35 40.63 50 GAM Sterlin 1. 54/30.78 30.78 32.74 40.29 50 12.51 Junes 1. 54/30.78 30.78 32.74 40.29 50 12.51 Junes GAM I.S. III. GAM	Acc. 27722 2773 2704 1.78	North American 1775 FT-12 621 1 Little 11 Dec 1872 1 Little 11 Dec 1872 1 Little 12 Little 1872 1 Li	metaler Square, Lendon, EC24 479, (0), 426 3494 Call New Febble Dealby : 0000 000000 feat medium : 0000 000000 feat medium : 0000 000000 feat medium : 0000 000000000000000000000000000000	Manusquirent Ca Ltd (0905)F 54 W Manusquirent Ca Ltd (0905)F 54 W
20	54 Sr. James B. Solders G. Dansel B. Bolgiana G. Bancol B. Bolgiana G. Bancol General G. Bancol General G. Bancol G. Bancol Sandrick G. Bancol Sandrick G. Bancol Sandrick G. Bancol G. Ba	# 5475.00 7521#80.00 1065.20 CAM Far Ex	x Acc 2117.0 117.0 127.4 210 ref let 2118.8 127.4 125.2 - 128.3 - 128.3 - 128.5 129.2 128.3 - 128.5 129.2 128.3 - 128.5 129.2 128.5 - 128.5 129.2 129.5 - 128.5 129.5 1	Balanced 9202 24 902 24 215 14 14 6 15 43 4600 Cord Europe Gerts 9213 15 402 64 64 65 13 43 4600 Cord Europe Gerts 9213 17 53 17 7 53 17 10 10 10 10 10 10 10 10 10 10 10 10 10	Free State	Watt Tst Margins Ltd (1200)F IN Marchetter M2 2AF 061 234-5613. In 12 Carls 15 Marchetter M2 2AF 061 234-5613. In 12 Carls
28 29 29	25, Reveistan To Girkisk Garth Earropean Garth Far East (2)	7305 2653 2833 12205 01-71677	# 15 15 15 15 15 15 15 15	German Growth 35.77 55.77 59.14-034 (7.69 618) Do (Accum) 7.56 60 56.60 60.05 (-0.5) (0.69 instead	51, 23.5 25.5 25.7 31.6 438 4.1 Reliance (A. 1992) - 51, 25.7 25.7 271.6 438 4.1 Reliance (A. 1992) - 51, 25.14 20.14 21.37 444 5.5 Reliance (A. 1992) - 51, 251, 271, 272, 273, 274, 274, 274, 274, 274, 274, 274, 274	Unit Mars. Ltd (1,000)H Stands
ACROSS (7)	4 Metrille Cress	'st Wriges Ltd (1409)#	360 A4 60 77 95 77 (427 L10)	De (Accus) 500, 40 101.40 107.56 007 0.01 Fissed	Service 54 10.7 40.7 42.2 40.0 57 England	7 Fond Mariagers (1200)H 2. Thatam St. Liegnon. 051-227 2000 IV: Large St. 201 201 201 201 201 IV: Large St. 201 201 201 201 201 201 201 201 201 201
without independent capital lower (11) (7) 7 Ancestor 1,488 years ago (3) 6 Warr	ed by the registry office constitue	126 2 122 141 - 1 49 Pacific Strain 51 264 21 22 24 4 0 0 17 60 W Frequent 130 18 24 18 264 - 1 17 GB British Co 3 174 9 173 54 185 4 - 2 9 W Small Or 3 145 1 145 1 15 3 1 - 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	001 5425 455 4513 4116 41 11 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	04 (Accum) 9 50 26 58.26 61.97 (1.14) (1) Present Pacific Basic 91.51 91 132 93 162 66 (42.04) (0) Americ Do (Accumd 51.62 27 162 27 170.47 62 18 10 11 155 5m Small Cos & New 5279 18 279 18 297 00 44 25 7 87 (Accumd	S Growth Flush 90.63 90.63 94.52 4.69 1.61 N.M. Ro Blor Co's 51.63.65 61.62 46.57 436 1.61 N.M. Ro Units 51.63.67 62.27 66.16 4.99 S Switcher	Hance_Front_Street_Beator pow Tyre 187.712
tion with 6 (5) tion 10 Ornamental scroll for 7 Settl motor: a hit, I confess! (9) 8 Give	y in monster reorganisa- (5,4) le for yard in river (6) me yard in the clouds Eggle Star I	July Mingra Ltd (1000)H 1 Roundwell	Unit Tet Mingrs (1000)F	IR Groves 95.57 36.77 99.90 (1)45.40 Drayto Do (Accuse) 558.17 36.17 61.05 (4)16.40 Europe Worldwide Grith 918.95 18.95 200.99.40 40.77 (Accuse) Do (Accuse) 9884.47 286.47 285.60 (4)6.670 Europe Far Europe	Japan	UACO \$294.19 294.19 315.12 127717 15 UACONS.1
12 Address to mothers? (5) ern 13 About four officers of 16 Hav	tre in East makes East- capital (9) The a hand in genuine	91142 1188 1261 217 Init team 91142 1188 1261 217 Init team 91835 90.88 96.42 455 Rt Aus Griff 91142 1146 1124 063 Gestud UK Growth 91142 1144 1146 1124 063 Gestud UK Growth 91142 1144 1146 1124 063 Gestud UK Growth 91142 1144 1146 1124 063 Gestud UK Growth 91144 1144 1146 1144 063 Gestud UK Growth 91144 1144 1146 1146 1146 1146 1146 1146	3 4 14.8 164.3 180 1 -0.51.98 -51.14 21.34 21.74 6115.00 10 -51.21.40 21.53 21.03 41.90.85 -51.25.43 21.74 24.01.00.00 Dentures Limited (12.001H	Workship Park, Earlier DIS 1DS 10797 2826773 Intl Enter DIS 1078 2772 2826773 Intl Enter DIS 1078 2772 2826773 Intl Enter DIS 1078 2775 2775 1075 1075 1075 1075 1075 1075 1075 1	MUI	Cos. 300.6 (10.00 Jan. 10.00 Jan.
pirator (7) 15 Sound not quite in the love mouth (4) 19 Pigs	ing of money (8) reme selfishness in a result of the selfishness in a regard, possibly (8) sy would be prickly if Gerta (A, Kaoli	\$55.44 25.44 56.25	100 100 100 110 110 110 110 110 110 110	GUIDE TO UNIT TRU	IST PRICING	
20 Valley with marbles, in 20 Fore short, across from Skye (7) 21 Wate 23 Number and belief (6) roun	eman that land fish? (7) er running or condensed driver (6) Equitable United St., Aries European Far Eastern Far Eastern	eits Admin Ltd (1600)F Genrelan interpretation (1804) Francisco	36716 57224 6730 d 797.76 5150 1371 1444 470 - Royal Ex Unit Myss Ltd (1200H) 1, Londo ECN 3.5 0.688,903 5293 2529 276,442 0131 41114 112241146 057 5262 2410 2456 1-772 10	The data included under the Authorised section of the being expanded to improve the service to readers as MITTAL CHAPSET.	be FT Unit Trust information pages is UK Major C UK Smaller of UK Major C UK heave.	7554.45.47.46.19 48.62 (0.17 Wrotes 7554.46.82 45.54 47.95 (0.39 Enterprise
more hrms? (9) 26 Reminiscent of English case "The for address (9) with	as the s best? (6) ag up to date part of e blushful Hippocrene held recombination relian rel	97.00 95.02 101.10 -0.255.04 64-20-00 65-64 154.75 64-20-00 65-64 154.75 64-154.07 1.37 Pactricy 65-64 27 97.06-10.02 64 176.91 50-164.07 1.38 64 27 97.06-10.02 64 176.91 50-164.07 1.38 64 177.91	5345 347.4 368.2 012.07 5273.4 283.7 300.2 0 71.82	These represent the marketing, administrative and or purchaser. These charges are included in the price. The price at which units may be bought. The price at which units may be sold.	when the customer buys units. Bargoon - Australiana - Australiana - Deposit	54 47.59 47.99 50.48 50.51 50.
27 Number and weight impracticable (3.2) 28 Quiet half of 12 (3) 29 Napoleon said he could?	SAGE THIT IST SECOND AND SECOND SECON	Organica St. Covenity 0203 553231 Gulfd Main 51-171.2 171.2 1822 -0503.61 5 Festery St	2000 115 9621-05674 2000 11501 0150 07 2000 1521 17 01-03 205	The price at which units may be sold. CARCELLATION PRICE The maximum spread between the offer and bid price by the government, in practice, unit trust massagers result, the bid price is often set well above the minimum cancellation price in the table. However the bid price price in aircomstances in which there is a large exc TIBLE.	is determined by a formula laid down specific in much narrower spread. As a promissible price which is called the selections of might be moved to the cancels he selections.	eth of Contacts Funds (1500% Size Lt.), Carlotte St., Candon ECAV 496 (1409 2378 Admin & Armin
ing (3,1,3,4) DOWN	ENERUS SELITZA CIOUS SELITZA HA USES SESSY FOR SOURCE CONTROL	31 116 2 116 2 123.7 -0.00 29 Pacific Grown		price in aircomptances in which there is a large excepted. The Line shown alongside the fund manager's name is dealing prices are normally set unless another time is individual unit trust mane. The symbols are as follows: 1400 hours; 4 - 1401 to 1700 hours; 4 - 1701 to HISTORICE PRINTING.	ess of sellers of units over buyers." Select in A. Selec	S42.69 62.69 67.04 (CD) 500. American S42.69 62.69 52.39 50.31 62.00 62.
takes one abroad (8)	ESS DEE IN SCENIFICATION OF THE CENTRAL ACC. BESS DREDGE	128.9 200 72 200 8 10 200 10 77 10 10 10 10 10 10 10 10 10 10 10 10 10	3904 517 70 394 10 4 10 2 2 4 1 9 1 9 1 9 1 9 1 9 1 9 1 9 1 9 1 9 1	The letter H denotes that prices are set an a historic to been an intervening portfolio revaluation, investors or the prices amount in the newspaper which leaves has	moniger. Into means that, unless there has been dead self units today at a self of yesterday's asset.	is F4 Migent Ltd. (1900M) Pritch was by F52 OHE. Prices (1945) 621577 19737 2291900 Pealley: 0733 239000 Pealley: 0734 239000 Pealley: 0739 239000 P
3 Old writer in between a sheet (5) 4 Topless writer outside church took stock of shocks	A MARMALADE PLIT GOTTA TENTROTTERS MISCHETTERS MISCHETTERS MISCHETTERS MISCHETTERS MISCHETTERS MISCHETTERS	1. Sector CO. 1146 0272 617244 S.Y Riscott Held 1. S.Y Level Held	Gerti. 3 52.80 S2.60m 50.00m 50.00m 50 mercall Fund Migos Ltd (1000)H Help Rd. Hymne, Brembeood, Ener. 7 227500 Dealing 1277 25.0010 	ratus. FORWARD PRICING The letter F denotes that prices are set on a forward definite price in advance of the purchase or sale being newspaper show the prices at which deals were carr Other explanatory notes are contained in the last only notes.	basis so that investors can be given on arried out. The prices appearing in the led out, resterday.	1004
LIVIUA	WC Care Problem	_ 270.52 70.52 72.72.45 E. OK Grants _		pages.	ightife teet in the comment of the control of the c	Swiss 1 Swiss



مِلَدًا مِن اللَّصِلِّ

25

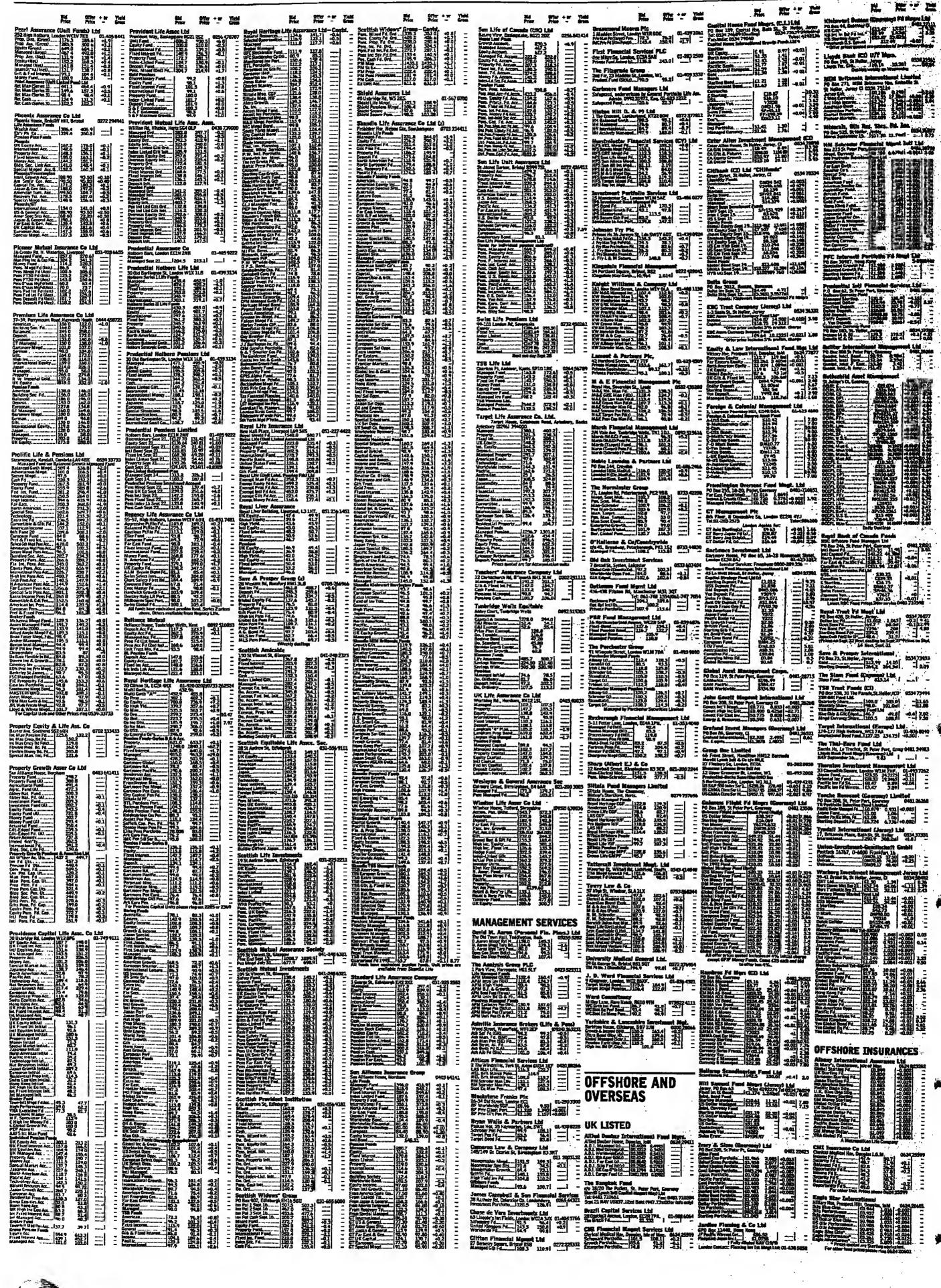
14 Hyrica 25



FT UNIT TRUST INFORMATION SERVICE Price +0[']1 Series Lichted 1970 Case Committee 1970 Case C NE COURT Property Fund Managers - New Court Property - 1275 199.31 - Phillips & Brew Full Management Light - Phillips & Brew Full Management Light - 177.10 127.3 - 2.75 PDFM in East Sept 22 128.0 128.0 23.5 2.72 Hill Samuel Life Asser. Ltd (2) | Target Trust Mangers List CL600H | Target Mangers List Pero Pacris Basin \$77.7 GT Memagerment Life Sta Floor, B Deventier, Sc. FCC GT Pero Senat Foot 120.7 GT Per My For Foot 221.7 GT Pero Senat Foot 120.8 GT Per My For Foot 121.2 GT Pero My For Foot 122.0 GT Pero My Foot 12 | Description | Abbey Life Assurants Co Ltd. 30 Holdshurs Assurants Co Ltd. 40 Holdshurs Assurants Co Ltd. 41 Holdshurs Co Ltd. 41 Holdshurs Co Ltd. 42 Holdshurs Co Ltd. 43 Holdshurs Co Ltd. 44 Holdshurs Co Ltd. 45 Ltd. 46 Holdshurs Co Ltd. 47 Ltd. M MF feetible Says to 19 Landian Life 100 Temple St, Bristol 85 Ammenters Lepaity. Fund 184 Property Milasi. Index Stock International Adatemeter-Series A Consty (A) Deposit (A) Index Stock International Life Stock Intern \$21.6 244.6 784.3 190.5 128.3 171.0 -0.5 171.7 171.7 172.1 172.1 173.2 179.0 179.0 179.5 179.4 185.5 185.5 185.5 185.5 185.5 MEL Britannia Assec Co Ltd 100 7 100 7 1112 9 1117 4 101 4 Constantial Constantial Academ 124 August 12 01-740 7070 からなななるものももがある Per Comparison Aca. | 42.5 | 10.5 | Per Silving See Acc. | 47.1 | 10.5 | Per Silving See Acc. | 47.1 | 10.5 | Per Silving See Acc. | 47.1 | 10.5 | General Portfolio See. | 47.1 | 47.1 | General Portfolio See. | 47.1 | 47.2 | Per Silving See Acc. | 47.1 | 47.2 | Per Silving See Acc. | 47.1 | 47.2 | Per Silving See Acc. | 47.1 | 47.2 | Per Silving See Acc. | 47.1 | 47.2 | Per Silving See Acc. | 47.1 | 47.2 | Per Silving See Acc. | 47.1 | 47.2 | Per Silving See Acc. | 47.1 | 47.2 | Per Silving See Acc. | 47.1 | 47.2 | Per Silving See Acc. | 47.2 | 47.2 | Per Silving See Acc. | 47.2 | 47.2 | Per Silving See Acc. | 47.2 | 47.2 | Per Silving See Acc. | 47.2 | 47.2 | Per Silving See Acc. | 47.2 | 47.2 | Per Silving See Acc. | 47.2 | 47.2 | Per Silving See Acc. | 47.2 | 47.2 | Per Silving See Acc. | 47.2 | 47.2 | Per Silving See Acc. | 47.2 | 47.2 | Per Silving See Acc. | 47.2 | 47.2 | Per Silving See Acc. | 47.2 | 47.2 | Per Silving See Acc. | 47.2 | Per Silv 5730 JOSE 6707 51122 40.00 = 0279 626262 220 0.50 2005 200 1144 400 1144 400 1144 400 1144 400 1144 400 1144 400 1144 400 1144 400 1144 400 1144 400 1144 400 1144 400 1154 4 247.5 187.3 197.3 196.1 123.3 277.3 220.4 111.4 224.5 224.5 224.5 204.4 1000 1000 1000 1000 1000 1000 1000 | Sector | Press | Pre 571.90 371.90 +4.20 623.90 423.90 +0.50 93.60 423.60 +0.50 238.00 238.00 +0.50 243.50 263.50 +0.00 설립 272.2 40:-2 100.0 147.7 160.5 1 97777

A STATE OF THE STA

FT UNIT TRUST INFORMATION SERVICE





مِلَدًا مِنْ الْمِلَ

A STANFAR

To the Real

Bar . E ligge

CALLED

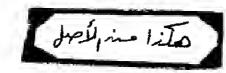
7.1

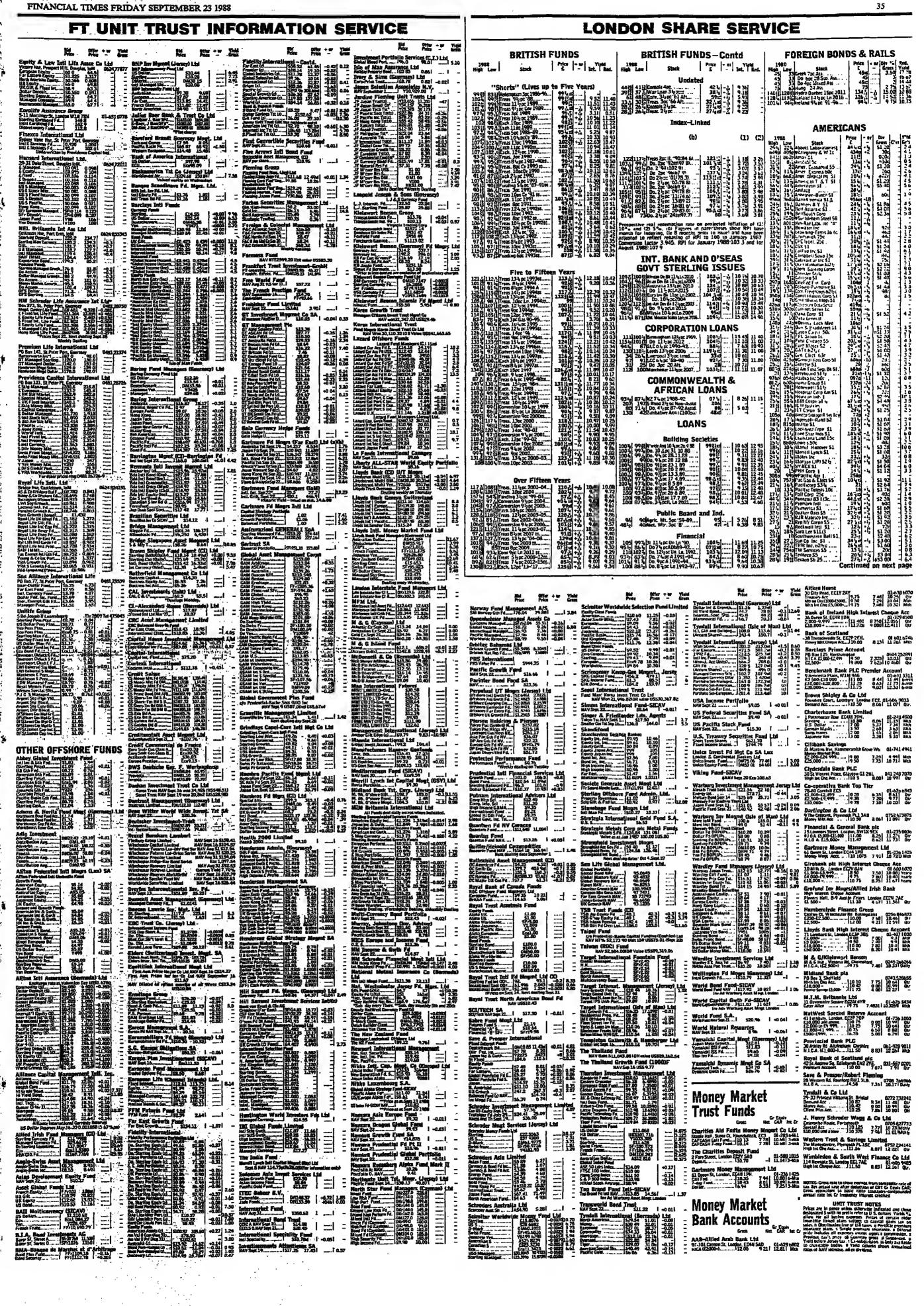
ACTOR Westerner

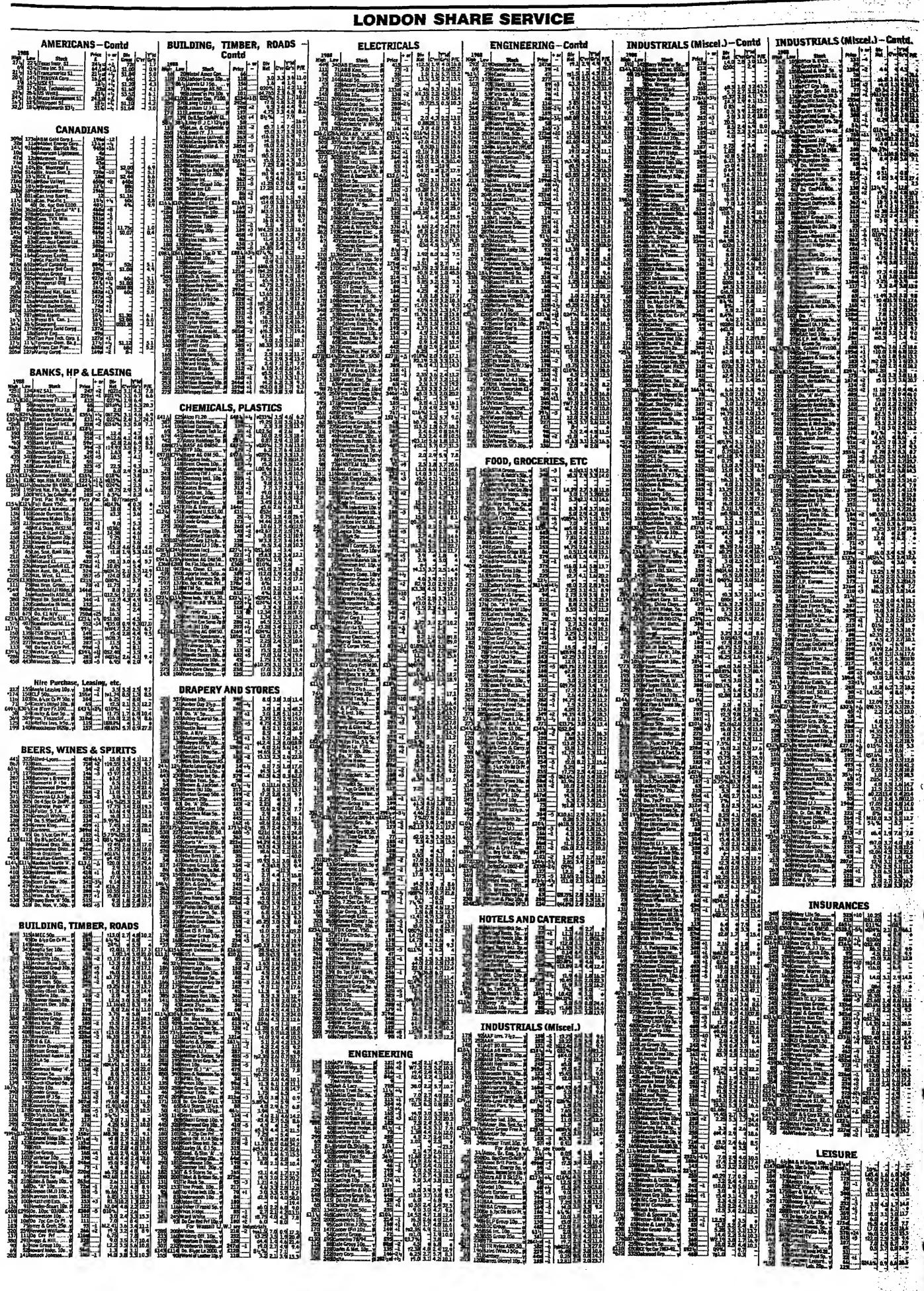
an arm in Marie 17

and the land topic a

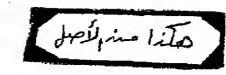
and the second s







Josephan Lita



LONDON TRADED OPTIONS

FT-ACTUARIES SHARE INDICES

These Indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

_	the Institute	of A		s and		acusty	OT AC	tuarie			
	EQUITY GROUPS	7	hursda	y Sept	ember	22 19	88	Wed Sep 21	Tue Sep 20	Mon Sep 19	Year ago (approx)
	& SUB-SECTIONS	⊢	_	I Em	T C	(Fai		 -	 	 -	
F	igures in parentheses show number of stocks per section	index No.	Day's Change	Est. Earnings Yield% (Max.)		Est. P/E Ratio (Net)	nd adj. 1988 to date	Index No.	index No.	index No.	index No.
_	CAPITAL GOODS (210)	771.83	-0.4	31.86	4.29	71.14	20.19	774.86	763.49	758.37	974.43
:) Rulldian Meterials (20)	1 962.47	-0.8	12.40		9.95					1197.33
3	Contracting, Construction (37) Electricals (12)	. 1533.36	+0.2	12.00	3.73	10.86	34.17		1512.43	1510.97	1819,65
4	Electricals (12)	2146.25	+0.4	9.37	4.79	13.05	54.89	2137.61	2112.67	2083.18	2500,98
•	Electronics (28)	1652.78	-0.7	16.77	3.76	11.96	40.48				2059.12
- 9	Mechanical Engineering (58)	403.81	+0.3	10.72 10.20	4.39						
	Motors (16)	272 39	-0.8	12.02		12.12 9.60					
10	Other Industrial Materials (23)	1310.67	-0.4	9.85	4.66	11.97	41.77				397.25 1702.77
Ž.	CONCUMED COOLD (185)	J1043.64	-0.5	9.63	3.84	13.09	29.44				1337.30
2	Growners and Olet Illars (21)	1083.76	+8.2	16.98	3.80	11.57	22,98				1192.70
2	Food Manufacturing (21)	948.92	-0.6	7.33	3.97	13.55	18.91		944.23		1008.14
26	Food Retailing (16)	1841.00	-1.6	9.38	3.62	14.68	38.76				2466.71
27 29	Health and Household (12)	1216 es	-8.2 -8.2	7.82 9.34	2.66 3.89	16.44	18.01		1811.60		
31	Leisure (30)	500.54	-03	10.50	4.23	13.73 11.83	29.68 13.89		1339.75 584.29	1110.55 497.03	1399.44 680.49
32		3271.49	-0.3	9.06	4.70	13.77		3281.57	3293.37		4782.55
34	! Stores (34)	! 751.56	-1.1	11.69	4.43	11.87	16.36	759.82	746.65		1987.18
35	Textiles (16)) <i>5</i> 05.07	-1.1	13.69	5.48	8.57	12.69	519.53	585.97	596.87	878.41
40	OTHER GROUPS (93)	871.98	-0.2	11.48	4.58	10.64	21.98	873.44	866.91	862.37	1150.50
42		1037.01	+0.6	8.72 12.34	2.69 4. 94	14.50 9.74	18.23 36.89	1832.48 1035.09	1021.79 1038.74	1015.93	1716.59
43	Conglomerates (13)	1199.26	+0.2	10.55	4.50	10.94	24.92	1197.13	1185.17	1826.87 1182.73	1584.99
45	Shipping and Transport (12)	1839.00	+0.1	11.99	5.04	11.10	37.93	1837.46		1808.16	
47	Telephone Networks (2)	933.90	0.6	11.89	4.77	10.91	20.38	939.66	931.77		1079.36
48	Conglomerates (13) Shipping and Transport (12) Telephone Networks (2) Miscellaneous (26)	1178 <u>.37</u>	0.5	11.96	4.60	9.52	36.88	1183.84	1179.90	1169.57	1704.92
	INOUSTRIAL GROUP (488)		-0.4	18.52	4.16	11.80	21.48	942.36	931.98	925.72	1207.36
	011 & Gas (12)		-0.3	16.73	6.33	11.93	76,00	1765.33	1757.33	1755.77	2214.75
59	500 SHARE INCEX (500)	1008.29	-0.4	18.55	4.47	11.82	26.04	1012.12	1001.90	996.00	1292.95
61	FINANCIAL GROUP (121) Banks (8)	674.57	*******	-	5.25	-	22.38	674,70	672.70	666.08	858.03
62	Banks (8)	659.24	-0.I	21.71	6.63	6.17	30.77	657.86	654.73	646.85	863.43
65	Insurance (Life) (8)	986.84	-8.2	- 1	5.34	-	36.93	987.10	1008.83	994.20	1176.02
66	Insurance (Composite) (7)	526.43	-0.3	17.4	5.93		18.56	528.00	526.14		670.86
68	Insurance (Brokers) (7) Merchant Banks (11) Property (50)	326.52	-8.7 -8.2	10.46	6.95 4.51	12.37	44.40 8.89	922.55 327.02	921.17 324.14	916.03 324.29	1169.21 499.97
69	Property (50)	1168.03	+0.4	5.69	2.81	22.50	16.10	1163.89	1155.00	1147.53	1305.50
70	Other Financial (30)	359.74	+0.4	10.61	5.50	11.85	18.71	358.41	356.76	355.70	581.51
71	Investment Trusts (78)	901.81	-0.4	_	3.14	- (15.68	904.89	297.41	894,72	1164.39
81	Mining Finance (2)	590.53	-3.7	10.12	3.51	10.95	15,67	619.62	525.72	526.46	688.22
91	Overseas Traders (8)		_0.2	9.70	4.62	12.04	35.31	1233.48	1198.67		
99	ALL-SHARE INOEX (709)	925.92	-6.4	{	4.53	-	24.73	929.50	918.57	912.59	1181.64
		Index	Day's	Day's	Day's	Sep	Sep	Sep	Sep	Sep	Year
_		No.	Change	High	LOW	21	20	19	16	15	ago
	FT-SE 100 SHARE INCEX	1788.7	-8.1	1793.7	1784.8	1796.8	1772.1	1759.9	1766.7	1769.3	2313.4

	FIXED INTEREST							AYERAGE GROSS REDEMPTION YIELDS	Thu Sep 22	Wed Sep 21	Year ago (approx.)
	PRICE INDICES	Thu Sep 22	Day's change %	Wed Sep 21	xd adj. today	xd adj. 1988 to date		British Government Low 5 years Coupons 15 years	9.96 9.60	9.96 9.60 9.28	9.64 9.91
3 4	British Government 5 years 5-15 years Over 15 years Irredeemables All stocks	118.50 134.82 144.30 165.98	+0.03 -0.07	118.45 134.82 144.25 166.10 131.98		9.35 9.71 11.09 8.84 9.84	56789	25 years 5 years 6 y	9.28 10.35 9.84 9.55 10.49 9.98 9.52 9.52	9.28 10.35 9.84 9.55 10.49 9.97 9.52 9.20	9.76 10.37 10.17 9.94 10.43 10.33 9.99 10.02
67	Index-Linked 5 years Over 5 years All stocks	127.30 120.96	-0.05 -0.11	127,37 121.69	111	1.81 2.65 2.57	12 13 14	Index-United Syrs. Inflation rate 5% Over 5 yrs. Inflation rate 10% Syrs. Inflation rate 10% Over 5 yrs.	3.48 3.92 2.34 3.74	3.45 3.91 2.30 3.73	3.56 4.11 3.55 4.12
9	Ochenhares & Loans	115.52	+0.04	115.47	-	7.82		Dels & 5 years	11.65 11.36 11.13	11,65	11.39
.0	Preference	87.93	-0.77	88.62	-	4.36	18	25 years	18.27	11.13	11,38

#Opening Index 1792.9; 10 am 1793.4; 11 am 1788.3; Noon 1789.6; 1 pm 1790.0; 2 pm 1790.0; 3 pm 1789.8; 3.30 pm 1785.1; 4 pm 1787.0

† Flat yield. Highs and lows record, base dates, values and constituent changes are published in Saturday issues. A new list of constituents is available from the Publishers, The Financial Times, Bracken House, Cannon Street, London ECAP 4BY, price 15p, by post 32p.

Sertish Funds Corporations, Dominion and Foreign Bonds Corporations Co	Rises	Falls	Same
	34	50	28
	1	7	42
	338	430	834
	129	145	389
	22	29	55
	2	1	10
	39	53	101
	108	47	123
Totals	673	762	1,582

			ON	DC	N RECENT	IS:	SU	E\$			
QU	TIE	S								Ī	_
	Ammet, Pali		198		Sect	(leite Price	+=	No.	Tieses Corre		FE
- 1			89¢				<u> </u>	-			
85e	F.P.	[-	128	145	Barlo Group ir 10p	盛		2050% 13.5	뀴	28	딿
40 100	F.P.	:	100		Exmoor Dozi km.Tst	100	١.	12		41 92	:
120 140	F.P.	277	翼	援	Argiert Shop 59 Artiz Design Group 59 Artiz Design Group 209 Sarith 59 Tamar's 109 Tamar's 109 Waterier Mining Warrants	135	2	120 DE 150 DE 15	41 23 43	냺	맔
40	F.	5/8 19/8	湖	168	Backfort Group 209	蝶	~	83.9	33	44	盟
<u>ص</u>	50	19/6	128	に渡	Tamaris 10p	39	#	20	25	ij	Ξ
3 · G · NSESSESS	F.P.P.P.P.P.P.P.P.	=	NEW SET STATES	ၽ	Wantsley Minley Warrants (Zurich Group So	A STEER STEER STEERS	-1	120	29	4.1	10.2
				-							

		F	XID	INTI	EREST STOCKS		
èssue Price	Amount. Paid	Latest Respons	19	68	Stark	Closing	ļ
£	ep !	Date	High	100		٤	Ĺ
100 100.4p	F.P.	-	100½ 101p	991 ₂	A.C. Hidgs. 11pc Cr. Un. Lt. 1994/98 Alida Hidgs 9's pc Cro Rd Pt 2008/13	1007	Γ
TMO:40	F.P.		360	915	Alexas Group 6.25c Cv. Rd. P1. 10p	1000	I.
100a	F.P.	-	1150	110	#BLP Group So Co Rd Pf 100	113	١,
101.09	F.P.	-	1026	100%	Brent Chemicals Int. Soc Cra Ad Pf	1130	I.
100p	F.P.	-	2000	915	Dares Estates 7.75oc Cor Co. Rd Pd	900	L
	E.P.	-	1049 101p	1000	Dowty Gro 7pc Cr. Cm. Rd. Pf.	1030	ŀ
6100p	F.P.		1009	950	Exmoor Deal tov. Tst. Zero Ca Prf FKunick 7p (Net) Cv. Co., Rd. Pf. 5p	1000	i.
#101.2	F.P.	9/9	101 40	999	Lon & Edin Tet 0 Spc Let Con Rd Pf 2013.	100	ľ
1100.9	F.P.	"-	1000	98329	McCrythy & Stone 8.75oc Rd. Pf. 2003	1000	ı
•	F.P.	-	100	964	Wwite Ang. 11 pc 7.8.89	987	
-	F.P.	-	100	253	Do. 1120c29 839	991	ı
100-	F.P.	29/9	1200	77	Do. 123-pc 18.9.89 Pleasurants 7.75ec Cv Cm. Rd Pf	1071-	1.
1000	ikii (247	2000	13-000	Scantronic 7.25e Cr. Rd. Pt.	13-000	יו
100p 100p 100p 9100p	F.P.	-	1040	980	Tamaris 81 ₂ pc Cr. Rd. Pf. 2003	1000	
9300p	F.P.	•	96p	930	York Trust Grp. Rel. Con. Cr. Pf. 200	930	í

larine Price	Amount Paid	Latest Resurc	19	88	Stock	Closing	+ or
p	- CD	Date	High	Low]	P	•
er based ecast, o dend,cov mates fo	on divident r estimated er and p/e r 1988 N (i on fuit ca l annualise based on lividend as	ipital.g Ass ed dividend latest annu ed yleid bas	7jen 16gm 16gm 20gm 20gm 2gm 2gm 2gm 2gm 2gm 30gm 71-gen 30gm rate, con al earlinged on press	Altitel irish Bants Arby Hotys. Arby Hotys. Bagoes Indextrial Trans. Sp Blagoes Indextrial Trans. Sp Blagoes Indextrial Blagoes Indextriae Distributed Sp EBG Genep 50p EBIG Servery 50p EBIG Armop 50p FF SP Technology FF Technology Marcall 50 estimates. If Dividend rate paid or proposite eth dand yelds. Dividend and yield recthies or based on previous year's earnings. L. Ests. SM Dividend and yield hased on Proposite secture or other official estimates for 1999.	pecial pays matest and s or other of l Gross R F	nent. g rafised official restast

RIGHTS OFFERS

TRADITIONAL OPTIONS	

First Dealings	Sep 12
Last Dealings	Sep 23
 Last Declarations 	Dec 8
 For settlement 	Dec 19
For rate indications see	end of
London Share Service	
Stocks favoured for t	he call

Mountieigh, Trusthouse Forte Premier Consolidated, Blacks Leisure, Seers, Scotlish and New catie, Racal, Eagle Trust Regenicrest, Norfolk Capitial. Hanson and Polly Peck. A put was arranged in Seers, while Premier were dealt in for the double.

			CALLS		-	PUTS	Apr	Option		Non	CALLS	May	No	PUTS	May
Aitled Lyons (*413.)	310 420	31 12	40 23 16	46 92 17	0ct 5 27	끍	15	LASAIQ (7544)	500 550 600	9	136 72 30	121	#	\$\$ \$5 70	75
Brit. Airways (*155)	740 740	39 5	22	쁄	52 132 9	33°2	15	F. & D. (7552)	583	\$5 15	34	45	2	11 20	14 32 30
Brit. & Comm. (*219)	200 220 220 240	25 7	30 15	34 20	26 3 9	28 14 30	7	Pilkington - (*197)	186 280 220	23 11 34	28 14	놽	2 2	ış Z	#
8.P. (*248.)	220 280 260	304 127 34	39 22 11	41 25 13 2	332	2 ¹ / ₂ 7 141 ₂	ij.	Plessor (*2,55)	140	30	11	17	2	14 14 22	17
Blass (*746-)	700 750 800	57 22	65 36 17	80 50 30	4 17 55	14 35 70	18 49 73	Production (°151)	140 150 260	•	20 57:	20	3	7	14
Cable & Wire (*376 1	330 348 350	50 25 71 ₇	24.8	72 50 30	2 7 20	27	18 30	Phosi (*290)	280 300 330	25	35 % 14	49524	19 NO	22 24	81 21 22
Cass. Cold (*1335)	1200 1300 1400	145 45	205 130 85	220 145 105	20 Z	30 75 120	45 85 140	R.T.Z. (*442.)	808	202	428	SUS.	MS	現象好	13 23 20
Courtanids (*292.)	300 300 330 360	9 2	19	20 17	15 40 70	NISP	25	Yani feets (356)	1%	2	419	30	15	20	139 149
Com. Union	300	39 17	50 30 18	59 30 24	3	70	113	- Amstrad (*201.)	180	\$ 23.4	2 3 3 3 S	M# 57	S0 -40	52 14	14
6,E.C.	330 360 140	16	21	25	29	32	41	Sarctors (*394.)	398 395		'n	40	5	14	22
(752)	140 160 180	3,5	81 25	벁	29	31	35	Getchatry C462 I	420 460	8.	C K	85	54	20	24 4
6.K.N. (*320)	EES	26 772	36 19 9	4701	14 41	16	124	8TR (*285)	300	4 2	16	29 19	157	19 2	227
Grand Met. (1483)	440 500 550	32 9 11 ₂	48 25 18	## ## ##	23 14	11 22 70	龙	Rive Circle (*428)	390 420 440	40 12 2	55 14 23	46 27	3	37	782 42
C101-0	950 1000 1100	7745	110 73 28	123 88 40	18 86	16 32 86	777 23 23	(*154) Store	180 180	15	23 11 4	17 203	27	20	27
Jaguar (*237)	220	23 7½ 3	20	26 16	3 25	15	20 31	(*1041)	1000 1030 1100	10	26	50	23	92	100
Land Securities (*550)	500 550 600	55 18 3	88 30 14	82 48 26	2½ 14 53	7 25 54	11 28 56	Mawkey Shid. (*516.1	460 500 550 260	18	70 40 18	30	75 75	15	20 50
Maris & Spencer (*162.)	140 160 180	24 7 15	28 14 5	32 17 19	1 44 19	2 to 8 21	91 ₂	(*262.) Hantes	280 390	124	16:	27 15 8	20	22 41 2	ACK
. 6ritali (*500)	420 460 500	Ξ	Ξ	Ξ	. 5 14	Ξ'	Ξ	(2142)	140	121g 31g	7,5	17 101 317	11	79.5	19%
Rofts-Royce (*129)	120 130 140	912 4 11 ₂	15 ³ 2 10 5 ³ 2	20 11 84	گار 15	5 9 16	11	Lombe . (*302) . Midland 8k (*421 1	260 300 420 468	24	39 28	23 23 23	1) 7	20	14 27 25 45
STC (*265-)	240 260 280	30 14 5	37 25 14	42 20 19	2 ³ 2 7 18	11 22	16 25	Sees (*134)	126 120 130	15	2012 1312 116	27	2	15 15	13
Salesbury (*200)	200 220	112	14	19	22	10 23	12 24	Tesco (*134)	150 140	4	12 12	17	i	3 (7
Shell Trans. (*977)	950 1000 1100	50 19 2	83 53 15	100 68 28	137 127	46 127	## 70 142	Trusthouse Forte	260 260 280	13 21 ₂ 1	29 18 9 16 2	33 22,2 15,1	112	끄	17 29 43
(*191)	180 200 220	27	27 17 10	껋	16	11 22 35	24 37	Thors END (*627)	950 600 650	30	95 92 23	67	3.	16	25
Trafalgar House (*308)	280 300 330	32 15 3	SKS	49 A	24 24	7 15 34	18 17 37	Uniterer (*465.)	420 460 500	7	30	SS 44 20	37	4	7 ⁷ 2 21 43
7.5.a. (*100)	90 100 110	11 3	14 61 ₂ 21 ₂	15 8	12 12 12	2½ 5 12	3 61, 121,	Wellcome (*495)	460 500	33	2	. 86 . 25	12	10	1312
Utd.Biscolts (*275)	260 280	21 8	16	34	ű	18	50	Soots -	200	Sep	Dec /	30 4		Dec -	W.
Ultramar (*234)	216 235 236	30 20 17	42 31 22	55 36 29	18 33	불	20 30 42 20 30 42	Option	器	Det	15 Jen	H.I.	101 ₂	13 1.	Har T
Wootworth (*247)	220 240 260	16	27	48 33 25	8 N	11 19	11 11	British Cas (*1,66.)	160 170	34	16	2772	24. 642	5.	722
Option		Nov	Feb	Apr	Nov	Feb	Apr	Territor Territor	360	1	Mor 50	70 70 70 70	San I	Now 1	JM 18
Ladbroke (*429)	390 420 460	22	32 34 16	40 20	11.	19 43	21 45	(°384) Getion	420	16 5	50 15 16	25 1	40	_	53 46 May
Uption		How	Feb	May	Nov		May	Chev. 91, % 2005	98 100 102	1	2H	=	址	14	-
P460)	420 460 500	52 23 72	841 41 22	50 30	5 17 13	24 46	20 35 58	0, 12% 1985 (*107)	106 106 208 116	1	1	=	15	当	-
BAA (*255·)	246 255 250 250	10	14	ž	7	15	17	Option		Oct N		Sep	Oca	Nov -	Dat.
BAT Inds (*430)	390 420 460	49 27 9	63 42 21	70 48 28	11 34	7½ 17 38	11 24 47	FT-SE 1650 Index 1700 (*1785) 1750	88	103	16 15	3 2	15		18 30 45
Brit. Telecom (*234)	220 240	7	26 12	17	12	16	17	1850 1850		62 7 30 4 11 2	3 88 3 60 4 38 2 22	务进	SKR	80. 125	100 135
(*381.)	360 390 420	41 25 11	55 38 27	63 46 35	15 20 46	22 36 55	27 42 60	1950 2000 September 22, To		1	3 -	12	- 223	225	
Galaness (*308)	300 330	16	29 J4	34 19	25	22 26	14 30	· F1	F-SE Im	lex Calls lerlying	2327 security	Ptrs 31	12		
								<u>.</u> .			v				

INTERNATIONAL PROPERTY



Two strides from the Arc de Triomphe In the heart of the business district (Franklin-Roosevelt)

_SALE BY OWNER ...

DETACHED OFFICE BLOCK 5,600 m2

Adjoining space rental opportunities,



If you wish to obtain information and documentation on the unique sale of this building (Closing Date: October 25, 1988), telephone Madame HERAUD (in Paris) in France on

(1) 45 61 96 00 extension 46 58

VILAMOURA, ALGARVE

Privately owned commercial premises in prime marina based location constructed in 1987, the property is positioned within attractive and high quality retail esplanade set above a busy thoroughfare,

Telephone (Portugal) 89 32670 or 01-743 0207

SOUTHERN CALIFORNIA
REAL ESTATE PORTFOLIO
Beverley Hills Office Saliding in
Gotden Transgle* 66,000 sq.f. 100%
Loused Si5ss
Prime Devastown Lass Angeles on unior
retail struct. 155,000 sq.ft. Office Buildlog. 100% Master Leaned. Kilms
Estire City Hock in Devastown Sen
Diego. 600,000 gross sq.ft. 95% Leased.
S59m

PRINCIPALS ONLY. PLEASE
WRITE TO: L.C.Consultants,
649 S.Dive Street, #1300 Los Angeles.
CA 93016

in
About 17 scres, 100km only from
Athens, on Gulf of Corinth Coast,
with a coastline extending over
ide
560 meters. Fruit trees, own fresh
water, good road access, Snitable
for any type of tourist
development.

500 meters. Fruit trees, own fream water, good road access. Suitable for any type of tourist development. For more info please contact tel. (01) 451 7203. Hrs 1).00-17.00. telex 21-3136 lent gr, Monday till Friday.

GREECE LAND FOR

M25 PROPERTY

The Financial Times proposes to publish this survey on:

Friday 28th October 1988

For a full editorial synopsis and advertisement details, please contact:

Joe Bell on 01-248 8000 ext 3284 or write to him at:

Financial Times Bracken House, 10 Cannon Street, London EC4P 4BY

FINANCIAL TIMES

COMPANY NOTICES

De Beers Consolidated Mines Limited (Incorporated in the Republic of South Africa)

NOTICE TO HOLDERS OF DEFERRED SHARE WARRANTS TO BEARER PAYMENT OF COUPON NO. 81

With reference to the notice of declaration of dividend advertised in the Press on 17th August, 1988, the following information is published for holders of store warrants to bearer.

African non-resident shareholders' tax at 5.8743 cente per share will be deducted from the dividend psycholor in respect of all share warrant coupons leaving a net dividend of 39.1257 cents per share.

The dividend on bears: phares will be paid on or after 9th November, 1988 against

Irrender of coupon No. Bi detached from share warrants in bearer as underJ. At the offices of the following continental psying spents:

L'Europeanse de Banque Burque Brucelles Lambert Generale de Banque
21 rue Laffitte Banque 1945 Generale de Banque
24 Avenue Membr 3 Montagne du Perc

628 Paris

old: Suisse

Union Bank of Switzerler

Radepletz 8

Bahnhofstrases 45

21 Zurich

Banque internationale a Luxemi

Soulester Radel

Anion Bank of Switzerland Swiss Bank Corporat Aeschorworstadt (UZI Zurich 14002 Basile Internationale a Luxembourg and Royal ourg

be made in South African currency to an authorised dealer in exchange in the Republic of South Africa nominated by the continental paying agent, instructions regerding disposed of the proceeds of the processed of the processed

(i) In respect of coupons lodged on or prior to 2nd November, 1988, at the United Kingdom currency equivalent of the rand currency value of their dividend on 3rd October, 1988; or

(ii) in respect of coupons lodged after 2nd November, 1988, at the graveling rate of

exchange in Johannesburg to the Securities Department of Hill Semuel & Co-Limited.

Coupons must be left for at least four clear days for examination and may be presented any weekday (Saturday excepted) between the hours of 10.00 a.m. and 3.00 p.m. United Kingdom Income tax will be deducted from payments to any person in the United Kingdom in respect of coupons deposited at the Securities Department of Hill Samuel & Co. Limited, unless such coupons are accompanied by Inland Revenue non-residence declaration froms. Where such deduction is made, the net emount of the divided will be

nunt of dividend declared.
South African non-resident shareholders' tax at 13.054%

Less: U.K. Income tax at 11.948% on the gross amount of the dividend of 45 cents

39.1257 5.3767 33.7500 For and on b

45.0000 5.8743

For and on behalf of ANGLO AMERICAN CORPORATION OF SOUTH AFRICA LIMITED London Secretaries, G.A. Wildowson Office:

alton Office:
Company has been requested by the Commissioners of intend Revenue to esses.

Ingdom tax payable in respect of of 11.945% instead of the best of 13.054%.

De Beers

STATE BANK OF SOUTH AUSTRALIA A\$75,000,000

FLOATING RATE NOTES DUE 1994

Holders of the notes of the above issue are hereby notified that for the next interest sub-period the following will apply:

INTEREST RATE: 13.12 PER CENT PER ANNUM

INTEREST PERIOD: 19 SEPTEMBER 1988—19 DECEMBER 198

INTEREST PERIOD: 19 SEPTEMBER 1988—19 DECEMBER 1988
INTEREST AMOUNT DUE: 19.12 DECEMBER 1988
PER ASI0,000 NOTE: ASI27.10
PER ASS,000 NOTE: ASI63.55

BANK OF TOKYO AUSTRALIA LIMITED
AGENT SANK

USDOL 200,000,000

BATIF TRANCHE A AND TRANCHE B

GUARANTEED FLOATING RATE NOTES WITH

GUARANTEED FLOOR WARRANTS DUE MARCH 1996

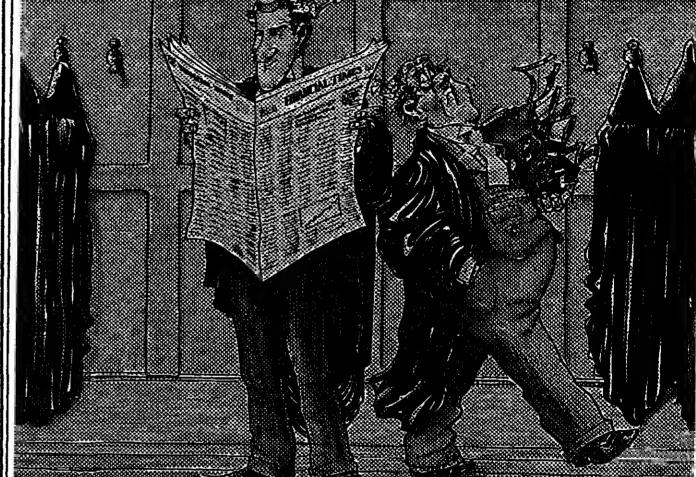
For the six months period September 23, 1985 to March 23, 1989 the notes will certy an Interest rate of \$\frac{1}{2}\text{ }'s per assum with an interest amount of USDOL 436.79- per USDOL 18.000 note.

he interest amount per Soor warrant Tranche A : 0 Tranche B : 0

Franche D : 0

c relevant interest payment date will be March 23, 1989.

Renout Puritus (Liberatourn) 5.4



Now there's a strong case for looking in the FT

Be sure to get your copy of the Financial Times on 26th September. That's the day we launch our new Legal Pages.

Published every Monday, they'll cover the business and commercial news that affects your profession, your clients and you.

What's more, if you're recruiting, take advantage of our Legal Appointments Pages. You'll have the ideal editorial environment for your advertisement, and of course, the most suitable audience.

For learned insight, you can depend on the FT's new Legal Pages. But don't take our word as evidence. Reach your own verdict by reading the Financial Times every Monday from September 26th.

- Win 12 bottles of champagne -

denti

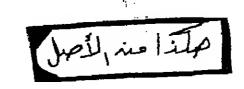
To launch the FT's weekly Legal Pages, we are inviting you to take part in a lighthearted contest.

Your brief: simply write a witty or pithy caption for the illustration above, then send your entry or entries to: Penny Robertson at the Financial Times, Bracken House, 10 Cannon Street, London EC4P 4BY.

The result will be announced in the FI's new Legal Pages on Monday 10th October, If yours is the winning entry, you'll receive 12 bottles of the FT's own Laurent Perner Rosé Cuvée Champagne. You, and the nine runners up, will also receive a framed, limited edition print of the illustration.

Togal Pages





LONDON STOCK EXCHANGE

Good undertone as the market pauses

THE EXCITEMENT generated by Minorco's record UK bid in resound through the London Combon Com the mining sector continued to stock market yesterday. While the equity sector gave ground as profit-taking cut into some of the wilder gains of the previous sessions, there was seleclive buying of major stocks by

both UK and US institutions. Consolidated Gold Fields fell ck as investors pondered the latest developments in what may prove a prolonged bid saga,but there was ready sup-port for a several other longrunning special situations

The market opened a shade off, with domestic selling masking good US demand for

Account Dealing Dates Oct 3 Oct 13 Sep 30 Account Days ... Oct 10" -- Oct 24

such blue chips as Reuters, British Gas, Beecham and Saatchi and Saatchi Also finding some support from the US were United Newspapers and

The international favorrites were led by Glaxo Holdings, which had been bought strongly in New York overto 12 per cent of the equity earlier this year, are now rebuilding their Glaxo portfolios. Last week's trading results have brought further recommendation of Glazo by

New York brokerage houses. However, the initial impetus was checked by two relatively small "sell" programmes, reportedly of £25m and £10m, from London trading houses. These programmes left the blue chips unscathed, however, and prices steadied before the close. Some tremors were feit in the afternoon when wild (and false)rumours concerning

The FT-SE Index ended the day a net 8.1 down at 1788.7. Seaq volume of 393.5m shares compared well with the previous day's total of 438.6m, which was boosted by the heavy trading in Gold Fields

and other mining stocks. For the Government bond market, it was another listless day, with the disclosure of the Bank of England weekly note and coin return, now scanned for signs of the trend of MO money supply, providing the only moment of interest. In the event, the Bank

return, which showed a slight

affected by the tone of the wider market and the shares

settled 31/4 down on the day at

transatlantic buying, moved

The banks mede further

another bullish circular on the

sector after the recent spate of

buy recommendations on the

grouping, gave a push to Nat-West which moved up 5 to

557p. Barclays, on the other hand, were a disappointing

market and dipped 3 to 394p,

unsettled by the large selling order that went through the

Standard Chartered dropped 14 to 552p as Wednesday's bout

of bid speculation gave way to

widespread profit-taking.

Apart from the activity in

Abbey Life and Sun Life, which spilled over into other

life issues, the insurance sector was relatively quiet. Refuge

stake in Refuge, 10 to 359p.

down, at 410p, extended Wednesday's strength after a visit and ensuing update by

Sears dropped 4 to 134p as the expected bid failed to mate-

rialise, but turnover at 6.7m

remained healthy and dealers

continue to suggest that an

offer for the company will be made soon. Options in Sears

were once again in sears
were once again in great
demand. The Storehouse share
price has consistently tracked
developments in Sears
recently, and yesterday was no
exception as the shares lost 6

to 190p.

Cable & Wireless hardened to 376p on turnover of 2.6m, still helped by Hoars Govett's

upgraded profits forecasts. Turnover picked up in Plessey

(22m) with the shares 2 off at 155p. GEC, with 41m traded were a shade easier at 152%p Speculative support lifted BSR 3 to 69p while news of the joint

venture with Mitsubishi to produce railway equipment in

market on Wednesday.

night. US investors, who cut their holdings in the pharms-central group from 17 per cent steady.

President Reagan's health circulation in the rate of increase in note circulation, did nothing to change the bond did nothing to change the bond market's perception of the strength of consumer spend-

> with very small gains, barely & in most cases, after showing a series of narrow fluctuations during the day. Shorts per-formed in a similar fashion.

Index-linked (IL) bonds, which have been moving up as inflation perceptions have worsened, traded lower, closing around % off. However, traders said that turnover in IL stocks was very light, hardly enough to indicate a change of views on inflation prospects.

1429.9 Long-dated bonds closed Ord. Di. Yield Earning Yid %(ruit) P/E Ralio(Net)(\$) SEAQ Bargains(Spm) Equity Yurnover(Dm)! 4.63 12.17 9.97 12.15 9.96 12.02 10.08 21,505 17,545 715.49 Equity Sargainst Shares Traded (mi)t

Ordinary Shere Index, Hourly changes

●Opening ●10 am. ●11 am. ●12 pm. ●1 pm. 14427 14438 14395 14405 14407 02 pm 03 pm 04 pm 14404 14403 1438.5 DAY'S LOW 1456.1 DAY'S HIGH 1444.1 Basis 100 Govt. Secs 15/16/26, Fixed Int. 1926, Ordinary 1/7/25, Gold Mines 12/9/55, SE Activity 1974, ANII 10.00 fExcluding Intra-market

21

87.01

96.00

95.67

98.00

FINANCIAL TIMES STOCK INDICES

TRADING VOLUME IN MAJOR STOCKS

95.82

86.62

95.61

105.4 50.53 (28/11/47) (3/1/75) 98.67 (8/11 1514.7 1349 6 1926.2 49.4 (16/7/87) (26/6/40) (6/2) 162.7 734.7 43 S (22/9) (15/2/83) (29/10/71) . S.E. ACTIVITY 92.2 114.9 Gilt Edged Bergains Equity Bargains Equity Value 143 B 2331.1 5-Day average Equity Bargains Equity Value

127.4 (9/1/35)

Low

 $\{2/9\}$

81.43

(18/4)

Since Compilatio High

Low

49.18

(3/1/7S)

London Report and latest

おおものなっ

1862.6

Abbey story rejected

A rush to buy stock of Abbey Life, said to reflect the search for a bid target to replace Sun-Life in the assurance sector, was discounted by Mr Michael Hepher, the chairman of

He maintained yesterday that he was "not aware of any stake-building in our shares. We've been through this sort of thing many times in the past, most recently when Banque Paribas bought shares in Abbey Life. The price was up to 835p then," Mr Hepher added. "It seems the Sun Life thing has focused hid possibilities elemphore."

Sun Life plunged a further 65 to 975p after Wednesday's 150 retreat, turning speculative attention across the full range of life companies. Abbey Life has been seen as a possible bid target for many some months.

There was heavy trading in Abbey shares which surged ahead to 324p before settling a net 10 higher at 323p on turnover of 7.5m shares - the highest for some time.

Buying of the shares gathered pace throughout the morning but dealers suggested that perhans as much as 6m of the eventual turnover in Abbey had been accounted for by inter-marketmaker trading.

Property raid

After a few weeks in the doldrums the shares of Local Londom, the property group spectal that he was a seen when expected that a cialising in business centres, televal to the UK Monopolies took off spectacularly after leisoned that a sure giant Brent Walker might mean delay in consummers and the stake from 49 per mation of the bid.

300pm raid chight the market results and brent walkers continued to brokers James Canel had no experience a fallout from rival brokers; James Capel had no trouble in picking up the extra "Coats Patons' mid-term trading 10 per cent, after offering setback which came as a shock shareholders 550p a share. By the close, Local London were 115 higher at 585p. News of the raid sparked.

immediate speculation over Brent Walker's plans. The con-sensus in the market was that Mr George Walker, the group's chairman, wants Local London because of its 25 per cent stake in Marina Development Group-(MDG) and might use Local London as a launchpad from which to make a bid for MDG. The speculation lifted MDG 33 to 3800. The MDG link might not be

the only reason for Brent Walker's move, say analysts, as Local London has attrac-tions of its own. Mr Nigel Reed of Kitcat Aitken said: "We think that the move is a logical one, and if Brent Walker did make a bid for Local London they would find the company.

FT-A All-Share Index 920 900

Equity Shares Traded Turnover by volume (million) 300 Aug Aug

has a lot of interesting assets. not to mention a very good property team." Brent Walker sed 7 lower at 359p.

Gold Fields off

Persistent selling of Consoli-dated Gold Fields was largely ascribed to profit-taking, although some market sources began to take a more cautious view of the £2.9bn offer from Minorco. The shares ended 55 down at 1345 with turnover

still high at 6m shares. The shares bottomed out at 1340p after seeing steady selling pressure from an opening price of 1380p. The London market was critical of the Minorco paper which makes up a part of the bid offer, charac-terising it as "low yielding and Luxembourg-ba

RTZ closed little changed at 441p, with the market discounting suggestions it might counterbid for Gold Fields

While the announcement of a Stock Exchange enquiry into pre-bid deals in Gold Fields had been widely expected, tradets were still concerned that a

Contactes continued to experience a fallout from rival on Monday. Coats' misfortune was owing largely to a poor performance by the UK clothing-related companies. Analysts have since taken a closer look at prospects for some Courtaulds divisions and, in particularly, the fibres and

knitwear interests. Hoare Govett is among the

forerunners to lower its sights for both divisions. The overall effect means that the securities house now expects group profits to be £211m against the pre-vious estimate of £225m. House adds that "given the strength of the other divisions the stock is cheap, but, in the current sentiment, going nowhere fast". The shares, 305p before the Coats Patons news, lost 4½ more yesterday to 292p.

Sep

Vickers shoot up

Disappointing interim fig-ures from Vickers, (£24.5m pre-tax against £25.5m), were quickly forgotten as the mar-ket turned its attention to stake building speculation. Adelaide Steamship, which is known to have a small holding in Vickers, was rumoured to have been purchasing further shares over the past few days. Dealers said demand had

been substantial and it was suggested that it had pushed Adelaide's stake to above the disclosable 5 per cent level. The Vickers share price closed

11 higher at 1660.
Commenting on the figures, the company said that the first half performance had been adversely affected by funding of the Challenger 2 tank and ayed divestment of the furniture businesses. .

Lourbo continued to trade in 6m shares was well down on the previous day's exceptional 19m. Marketmakers were uncertzin whether Mr Asher Edelman, the US investor hold-ing a stake believed now to exceed 5 per cent, was acquir-

NEW HIGHS AND LOWS FOR 1988

actor (spores (ST).
AMERICANS (18) BARRICK (19 Sec. Pacific, Webs targo, BREWERS (1) Merrydown, BREWERS (1) Merrydown, BRILLDERG (1) LEONGCALS (1) Hovo Inds. 5", \$10 FES (1) Goldberg (A.), ELECTRICALS (3) Ericason (I.M.), teoped Incl., Piso, Polystchnic Elect., based Incl., Piso, Polystchnic Elect.

Edinburgh and Gateshead, boosted NEI 2½ to 97p. But marketmakers spoke of several sizeable deals running the price higher to 309p before professional profit-taking set in. Sentiment was later

Crown Communications moved ahead smartly on news of the 260m TV news cootract from British Satellite Broad-casting and closed 16 np at 171p, but Filofax dipped 13 to 118p after disclosing sharply

Glaxo continued to claim the lower half-year profits.
Among easier Food stocks lion'a share of business amonginternational stocks. Some 5.6m shares changed hands as renewed US and dumestic demand forced Glaxo up to Cadbury Schweppes were lifted 4½ to 381½p by press speculation that a bid and break-up of the group is being plotted by US confectioners Hershey and 1059p before a close of 1048p, UK leisure group Grand Metro-politan. Hershey was said to have bought the 18.3 per cent stake in Cadhury held by US drinks and entertainments only marginally better on the day. Reuters, also the subject ahead strongly to finish 16 higher at 493p. Hanson was briskly traded (6.7m) but the price remained at 142%p. group General Cinema. However, Mr Philip Nardone, a spokesman for General Chema progress but generally closed off their best levels. Talk of yet

said: "We have not sold our stake and as far as I know we have no intention of doing so. RMC's interim figures made good reading but the shares met with profit-taking and closed 9 down at 458p. Housebuilders enjoyed selective demand after recent figures from Barratt Developments and Tarmac with Persimon noteworthy for a gain of 7 to

Spring Ram improved to 189p before drifting back to close only a shade dearer at 184p; there was slight disap-pointment with the interim figures. Renewed takeover enthusiasm lifted Pearson 11 further to 750p while Armour Trust rose 3 to 57 after news of the increased Grand Central stake, now up to 8 per cent.

jumped 12 more to 452p and Britannic, with a 7.39 per cent Capital Radio raced ahead to close 24 to the good at 375p, highlighting some strong gains Guinness quietly bought back more shares - before yesin the radio stocks. Prestwich, terday's purchases the grand meanwhile, jumped 19 to 140p total was 25m - but the price was hardly moved at 309p. on news that a number of the Allied-Lyons rose 6% late to 420p but Boddington fell away following an uninspiring first-half trading performance to and 3 down at 145p. Merry-

Rammersin A* Ramons Ramons Clause Ramons Schooling Ramons Ridge 100 . 1261 Imp. Chem. 12

Ather Life Sp
Albed-Lyon
Americal Sp
Seryta Commo
And Bott. Fonds Sp

BOC Group SPR Inch. 50p...... BTD Bartleys L1

company's directors and management personnel are examining the possibility of a management buyout.

Miss World, suspended et 310p prior to the reverse take-over by Red Rose Radio, were re-quoted at 400p and subsequently moved up to close at

Jaguar, rarely out of bottom gear these days, moved nearer the year's low point when sell-ing connected with traded options activity annulled US buying interest. The shares ended5 down at 239p. Lncas Industries ran into profit-taking after Wednesday's smart edvance and lost 8 at 564p but FR Group improved to 209p, influenced by Kitcat & Aitken

P&O resisted the wider market downturn, improving to 552p on recommendations from

Kleinwort Grieveson and Antofagasta (306p), while Ait-Hoare Govett. Mr Stephen ken Hume rose 5 more to 78p Chapman, sector analyst at the latter house, thinks the downside in P&O shares is limited handful of minur features but by the yield support and strong fundamentals, while the team at Kleinwort is forecasting a

Pearston
Pearl Su
P & O Defe LL.
Philogroup Situ ...
Proposition Su
Proposition Su
Razzo Electronics

-2

-3 -24

badly to trading statements. News of a heavier loss at the half-way stage knocked Corah down 7 to 68p while little changed annual profits took John Haggas back 8 to 113p. Hicking Pentecost was another to suffer, despite comment that Telfos would soon make an offer, and closed 5 lower at 80p.

Increased profits were good news for miscellaneous finan-cials which included Close Bros.(185p), Baltic (140p) and

turnover remained at minimal levels. News that BP has put a 20 per cent stake in the Magstrong profits surge next year to £355m; its estimate for the current period is £315m.

Selected Textiles receted badly to trading statements. changed at 248p

> · Burmah, after strong sup-port from one leading US securitles bouse and also in the wake of e "buy" recommenda-tion, added 6 at 525p.

Other market statistics. including FT-Actuaries Share Index and London Traded Options, Page 38

APPOINTMENTS

Restructuring at Bass Group

BASS has appointed Mr P.C. Sherlock as an executive director and Mr K.H.M. Dixon as a non-executive director from October 1. Mr Dixon is chairman of Rowntree and General Group.

Mr D.A. Urgahart retires
from executive duties on
March 5. Mr K. Richards has

decided to retire from executive duties on May 4 for personal reasons. Both will remain on the board. Bass is restructuring its

operations into main business areas on October 1. They are: brewing and pub retailing; hotels and restaurants, leisure, soft drinks, wines & spirits and other activities.
Mr O.C. Darby is appointed
managing director Bass UK
beer division which will

encompass: Bass Brewing, Bass Maltings, Bass Mitchells & Butlers, Bass North, Bass & Tennent Sales, Bass Wales & West, Charrington and Co and Tennent Caledonian

Mr B.D. Langton will assume responsibility for Toby Restaurants in addition to his responsibility for Crest Hotels and Holiday luns International. Mr Sherlock is appointed to the board of Bass as managing director of a division to be known as Coral Leisure which will include existing Bass Leisure activities and, from March 1, Coral Racing.



Mr Duncan Lawton has been appointed deputy chairman of BRITISH VITA. He succeeds Mr Fernley Parker who becomes a non-executive direc-tor. Mr Lawton has been heading the group's expansion into Continental Europe.

Mr.J.R.D. Swan will assume responsibility for beer marketing, Hedges & Butler and Alexis Lichine on March I and soft drinks (Britvic Corona) and off licences (Augustus Bernett) on May 1. Dr A.D. Portno will assume responsibility for business development.

■ Mr Martin Littlejones has been appointed managing director of KITTY LITTLE, Kitty Little Group's principal operating subsidiary. He is also sales development director of Kitty Little Group. He succeeds Mr Graham Webster, the chairman and managing director of Kitty Little Group,



since 1980.

Her Gerf Collins, managing director of BIS Applied Systems, has joined the board of BIS BANKING SYSTEMS, another BIS Group company.

At HARRISON INDUSTRIES Mr Ken Wade has become chief executive. Mr Ken Harrison, formerly chairman and chief executive, will remain chairman. Mr Wade was chairman and chief executive of Pactol Electronics, a subsidiary of IML

■ UCL GROUP, the computer distribution and mainte company, has appointed Mr Christopher Creighton Thomas as group managing director. Mr Tony Styles, corporate planning director, has been made deputy chairman.

NEWTON INVESTMENT MANAGEMENT has appointed. Mr Nicholas Kirk its finance director. He was financial

m The RALPH M PARSONS COMPANY, the European operation of the international petrochemical group based in Pasadena, California, has appointed the following



Mr Noel Kelly has been appointed chairman of HOME. company. He has been a direc-tur of the parent MCL Group for the last 10 years.

technical directors: Mr Amer Sarasam (process technology), Mr Jim Sullivan (project services), and Mr Roger Taylor (engineering). Mr David Beavis, company secretary, also becomes a director.

CROWN COMMUNICATIONS has appointed Mr Simon Maler as executive chairman of Grown Presentations, He also joins the board of Crown Television. He joins from ICM UK, where he was managing

Mr Jonathan Barnes has been appointed a director of LLOYD-ROBERTS & CILKES, Lloyds underwriting agents.

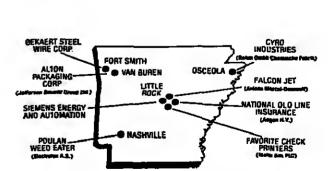
CENTRALLY AND PROFITABLY

When it's time to start, expand or relocate your business in the United States, it's also time to discover the benefits of Arkansas. Come discover Arkansas' convenient central location in the heart of America. with more than 40% of the population and effective buying income of the United States within a 550-mile radius of our state.

Come discover our comprehensive multi-modal transportation network that provides easy access to markets throughout the United States and the world. Come discover why European companies such as Cyro Industries (Germany), Alton Packaging Corp.

(Ireland), Falcon Jet (France), Bekaert Steel Wire Corp. (Belgium), National Old Line Insurance (The Netherlands), Siemens Energy and Automation (Germany), Poulan Weed Eater (Sweden), and Favorite Check Printers (England)-just to name a few-have already located in Arkansas.

Discover the benefits of locating in the heart of America, Discover Arkansas.



For more information on well for you, please conto Office, Mr. Peter Armstr Lauise 437 (Bte. 4). B-105	et: State of Ar	kansas/European oille Magee, Aveoue
Telephone (2) 649 60 24	Telex 62062	Fax (2) 649 4807
Name		
Position		
Firm	<i>-</i>	
Address		
Telephone		
Telex		
Fax		

COMMODITIES AND AGRICULTURE

Ok Tedi 'halted by strikers again'

By Chris Sherwell in

THE HUGE Ok Tedi mine in Papua New Guinea, containing one of the world's biggest deposits of gold and copper, has egain been balted by strikers reported to have gone on the rampage in a dispute over conditions.

They have shut off the mine. The situation is serious," Mr Glen Andrews, the mine's general manager, was quoted as saying yesterday.

Reports from Port Moresby,

the capital of Papua New Guinea, said strikers had looted bars, dug up roads, blocked airstrips and cut

Ok Tedi is located in the remote Star Mountains near the border with Irian Jaya. It is managed by Broken Hill Proprietary (BHP), Australia's largest company, which has a 30 per cent stake, along with Amoco. Another 20 per cent is held by the Papua New Guinea

Bullion output in 1986 and last year was about 500,000oz but as gold reserves have become depleted, treatment of copper-ore reserves, which began in June last year, has increased. The gold reserves will be exhausted this year.

This year the mine was producing about 1,000 tonnes a day of copper concentrate in dried form, from a mill-throughput of 30,000 tonnes a

Yesterday's strike was the third this year. It represents a big setback, especially after a 12-day stoppage only lest month which resulted in millions of dollars-worth of lost production

A mine official was quoted saying it affected cashflow and had long-term effects on contrects and loan commit-

EC cheese ruling

THE FREE movement of cheese was upbeld by the European Court of Justice yesterday, Reuter reports from Luxembourg. The court ordered France to eccept imports of West German edam, overruling French and Dutch objections.

Residential Property Advertising

> APPEARS EVERY SATURDAY

Rate 540 per Single Column Centimetre

Tel CAROL HANEY

Copper-bottomed programme successful in US

Kenneth Gooding on BP's Bingham Canyon lead in bringing mining operations back from the pits

BINGHAM CANYON, the world's deepest open-pit copper mine, provides a prime example of North America's so-called Lazarus mining operations.

These are the operations apparently killed off by the long period of extraordinarily low metal prices in the first half of the 1980s but which bave had new life breathed into them.

There is to be a party today at Bingham, 25 miles from Salt Lake City in Utah, to celebrate its return from the dead and the completion of a \$375m modernisation scheme.

However, the celebrations will be muted. Memories of the savage loss of jobs and huge pay-cuts imposed as part of the survival programme are too fresh in the minds of those who remain for joy to be completely unrestrained.

Bingham was shut down for nearly two years from March 1985 and has re-emerged as one of the world's leading copper mines only because dramatic changes have been made to cut its production costs. For in the mining industry survival depends mainly on making sure operations are among the world'e least expensive.

The base-metal producer must strive to ensure that, if the bottom falls out of the market, his output costs are lower than those of most com-petitors and that competitors will be forced out of business

US mining companies were particularly vulnerable in the prolonged period of low metals prices in the first half of the 1980s. Bingham was typical. Since 1936 it has been owned

by Kennecott Corporation wbicb became a wbolly-owned subsidiary of British Petroleum, Britain's biggest company, last year. Kennecott's management was lulled into a faise sense of

security by the high prices and

not automatically cut output at times of weak demand. In good times Kennecott's management let costs swell. At headquarters in Salt Lake City many did unnecessary tasks, mainly within accounting and reporting.
Mr Frank Joklik, managing director, BP Minerals America

of which Kennecott is now part, says: "A great deal of data was produced but not used by any senior manage-ment people. Many reports were either not used or were too historic. Not enough planning was being done."
In 1979-80 Kennecott started. an urgent programme to cut costs. The axe fell heavily on the salaried workforce, cut by

high demand for copper which lasted for 25 years until the end of the 1970s. For most of

that time copper supply was

in the bands of relatively

few companies which ensured production did not move too far ahead of demand to depress

prices.
That all changed in the 1970s

with the emergence of state-owned copper producers in the

developing countries which

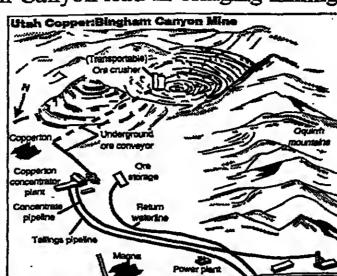
now account for about 40 per

cent of world output. Not only were their costs low, they did

45 per cent. Just as important, Mr Joklik says, was the "change in corpo-rate culture and management structure." Promotion to senior management is no longer by seniority but on merit. By the old system some senior executives treated promotion to top-level management as a long-service reward, he

He insists the cost-cutting programme between 1980-84, not capital investment, saved Bingham.

Manpower was cut: "We produced just as much copper in 1984 with 4,000 people as we did in 1980 with 7,000." Suppliers contributed: "We leaned on the utilities and our



suppliers to reduce costs and we introduced competitive bidding on contracts.
"We gained a 20 per cent

reduction in costs in nominal dollars, not taking account of inflation which was running at 15 per cent a year at the time."

Kennecott had to tackle an hourly-paid workforce. That difficult: about 70 per cent of the mine-workers were represented by the USW (US Steelworkers) and their benefits were in line with those of the steel industry, five other unions were represented at the mine and demarcation disputes

Kennecott's contract with USW was not due to end until June 1986 but the company tried to reopen talks in 1984. These efforts proved fruitless and some Bingham mine operations were shut down in mid-1984. The rest went on to care and maintenance early in 1985, put out of business not only by the low copper price but by two of the worst winters

were common.

ever recorded in the US, which added to Ringham's losses.
The talks with the USW continued through 1985, culminating in town meetings in Salt Lake City where as many as 2,000 employees were called together at one time to bear management presenta-tions, see videos about the company's position and to ask "As you can imagine, the

Refinery smelts

questions got pretty pointed at times," Mr Joklik recalls. Kennecott braced itself for a strike but a secret ballot approved the management's final offer, which called for cuts draconian by any

The remaining Kennecott workforce was to be cut from 4,000, eventually to 1,800, a measure including a 35 per cent reduction in the hourlypaid. Further, the hourly-paid accepted cuts in pay and benefits: the average mine worker was earning \$24 an hour, including \$8.50 in fringe

benefits, in 1985; today the figure is \$14.50, including \$4 in benefits. Moreover, some restrictive working practices were cut from the contract.

For example, no longer did an electrician have to wait for a member of another union to travel five miles to unscrew a lid on equipment he had to repair, no longer did each work-crew comprise a fixed number of people even when there was nothing for some to

Mr Burgess Winter, who recently became the chief executive of Magma Copper, was Bingham mine's general manager. He recalls that the company won back a full hour in the working-day by ending coffee-breaks and clean-up

The new contract was for four years compared with three-year deals prevalent in the US mining industry. It gave no pay rises in the four years, nor did it offer bonuses should the copper price

The main concession by the company in return was an undertaking to restart mining operations at Bingham when economically possible.

Modernising the out-dated equipment at the mine was

considered as early as 1980 but not approved until 1984. For most of that time Kennecott was owned by Standard Oil of Ohio (Sohio) in which BP had a majority shareholding. Mr Joklik says that it was not until the Kennecott management cap-tured the attention of BP in London that the UK group decided to proceed with the modernization scheme "at a time when putting money into copper was not a popular concept."

The modernisation required the building of crushing and conveying facilities in the big pit itself; a new grinding and-flotation plant nearby; and a

pipeline transportation system between mill and amelter. A five-mile long conveyor-belt transfers ore to the new concentrator, representing, says Mr Winter, the world's higgest materials-handling

system. The concentrator took \$200m of the total outlay. From that facility, copper concentrate flows through a 17-mile pipe-line to the smalter and there are two more pipelines of 13 miles each to take eway waste

The scheme was brought in under budget and abead of schedule and employees were paid two bonuses of \$1,000 each in recognition of this Bingham is now expected to

produce 225,000 short tons of refined copper against 200,000 short tons before the moderni-The most efficient part of the

old plant has been kept going. partly because demand for copper and prices have been The mine will produce by-

products, the value of which will help to cut the cost of the copper, including about 300,000 troy oz of gold, 2,5m troy oz of aliver and 10m lb of

molybdenum. Mr Joklik says: "In 1980 it cost us nearly \$1 a lb to produce copper when the price was below 60 cents. By 1984 we had reduced the cost to 70 cents, despite inflation. After resumption of work with the new contract the cost was below 55 cents.

Now the modernisation is completed the cost will be more in the range of 30 cents or perhaps lower, depending on the value of the by products." That puts Bingham among

the least-costly producers in the world, able to compete even with euch as the massive new Escondida project in Chile, scheduled to produce copper at about 40 cents a lb

World grain output forecasts reduced

By David Biackwell

THE DROUGHT in North America coupled with a recent decline in prospects for the Soviet harvest are behind a substantial reduction in the International Wheat Council forecasts for 1988-89 world grain production.

The council in its market report, has cut its estimate of wheat production to 502m tonnes, about on tonnes less tonnes, about 6m tonnes less than it forecast last month and 11m tonnes down on

1967-88. It puts coarse-grain production at 712m tounes, also 6m tonnes down on last month's estimate, and 86m tonnes less than in 1987-88. The smaller harvests will

mean consumption in 1988-69 can be met only by a substan-tial drawdown of stocks, the council says.

By the end of the year, stocks of wheat are estimated at 94m tonnes, and stocks of

coarse grains are put at 120m tonnes, that is, respectively, 27 per cent and 45 per cent down on figures for the previous

The council says: "Concern has therefore been expressed that stocks at the end of the season could be insufficient to afford the necessary margin of security."

The council says it appears nulikely that etocks at the end of 1989-90 will approach previous burdensome levels." That is even allowing for a review of support policies in main grain-exporting countries and favourable.

weather. The report forecasts a rise of 4m tonnes in Soviet grain imports, to 30m tonnes this year. The council expects the Soviet harvest to reach 200m tonnes, compared with the official target of 235m-

tonnes.

Hot and dry weather conditions in some of the main Soviet growing areas have led to a reduction of 5m tonnes, to 85m tonnes, for the wheat harvest forecast. The council puts the coarse-

grain harvest at 101m tonnes, down 9m tonnes, with the barley crop affected most Combined shipments by four

leading wheat exporters -Argentina, Australia, Canada and the US – are forecast to drop by 15m tonnes.

The European Community,

the fifth big exporter, is likely by make up the shortfall with record sales of 20m tonnes. The North American drought has been particularly bad for Canada, which already previous year at only 70 per cent of the normal level, the report says. Total shipments are forecast at 12m tonnes, half the 1987-88 level.

Chicago

Malaysian rubber 'hit by Taiwan, China defaults'

By Wong Sulong in Kuala Lumpur

reported hit by big defaults by Taiwanese and Chinese buyers of latex concentrate, following the sharp fall in the commod-Taiwanese traders and Hong Kong agents, ecting for provin-cial Chinese authorities, had contracted large quantities of latex concentrate in May and June when e scramble for latex

sent prices to an all-time high of 10 ringgit e kg.

The price of latex has since to about 5 and Taiwanese and Hong Kong buyers are finding it cheaper to default and forfeit deposits. Latex concentrate is needed

to make rubber gloves and

COCOA Extenne

MALAYSIA's RUBBER trade is condoms, demand for which reported hit by big defaults by has been greatly boosted by

Malaysia, with a current annual capacity of 350,000 tonnes of latex concentrate, is supplying 80 per cent of world demand for this grade, though other south-east Asian rubberproducers are also rapidly switching to latex production which, at current prices, is still lucrative compared with other

has prompted some Malaysian sbeet-rubber factories to buy rubber from Liberia and Nigeria, to make up the short-

LONDON METAL EXCHANGE

Venezuelan oil reserves growth predicted

By Joe Menn in Caracas

VENEZUELA'S NATIONAL oil conference in Caracas.

He said it expected to add these reserves by exploration

venezuela SA, expected to add 6.4bn barrels of light and medium-crude oil to its proven. probable reserves from next year to 1994, Mr Arevalo Guzman Reyes, a board member, said at a geophysical

requiring \$908.4m investments. PDVSA will drill 102 explor-33,200km of seismic work through 1994 in Identifying new oil deposits. It found big reserves of light and medium

Winnipeg exchange appoints president

By David Owen in Toronto

THE Winnipeg Commodity Exchange has appointed a president three months after Mr Douglas Ford left to assume the vice-chairmanship of the troubled Hong Kong Futures

Exchange. He is Mr Bob Purves, president of Inter-Ocean Crain and a member of the exchange for 40 years. Mr Purves, who is a former

chairman of the Winnipeg Commodity Exchange, takes up the presidential post next month. Among his other accomplishments he is honorary consul of Finland for

the province of Manitoba.

Mr Purves takes the helm at a reasonably prosperous time for the 100-year-old exchange. oil recently in east Venezuela. | Volume for the year ending

US MARKETS

WORLD COMMODITIES PRICES

(Prices supplied by Amaigamated Metal Trading)

AM Official Kerts close Open Interest

July 31 was up 23 per cent on 1986-87 levele, at 2.8m contracts. Rapeseed futures accounted for almost 50 per cent of this, with 1987-88 turn-

over totalling 1.36m lots.

Among the priorities on the new president's agenda will be resumption of talks with the Canadian Government on the possible deregulation of the domestic premium oats.

Currently the Canadian Wheat Board has exclusive jurisdiction over oats for human consumption and for-

Mr Purves says: "The idea is that with the current era of deregulation, the Government

might be receptive to returning outs to the open market."

If the exchange were to be successful in its aims, a product would probably be launched, upgrading the existing, lightly-traded feed oats futures contract to stipulate delivery of premium grade Mr Purves is also optimistic that a cash-call rapeseed that a cash-call rapeseed

contract will be trading at the exchange by the end of the The innovation would actually be a forward market operating for 30 minutes after the close of rapeseed futures

CRUDE OIL (Light) 42,000 US galls \$/barrel

as a Bandaid, needed to help the market function as smoothly as possible in the light of some physical market

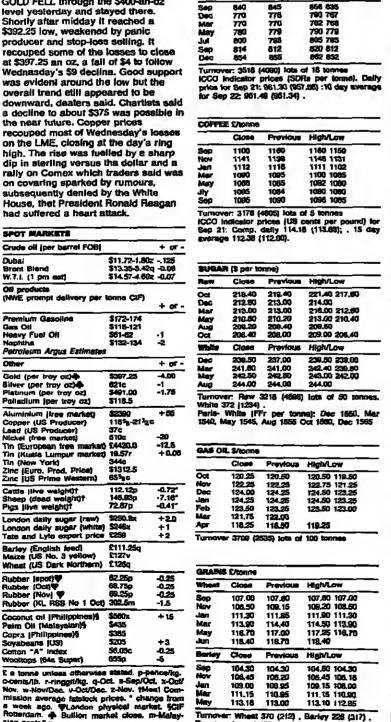
LONDON MARKETS

GOLD FELL through the \$400-an-oz

level yeslerday and stayed there. Shortly after midday it reached a \$392.25 low, weakened by panic producer and stop-loss selling. It recovered some of the losses to close at \$397.25 an oz, a fall of \$4 to follow Wednesday's \$9 decline, Good support was evident around the low but the overall trend etill appeared to be downward, dealers said. Chartists said a decline to about \$375 was possible in the near tuture. Copper prices recouped most of Wednesday's losses on the LME, closing at the day's ring high. The rise was fuelled by e sharp dip in sterling versus tha dollar and a rally on Comex which traders said was on covaring sparked by rumours, ly denied by the White House, that President Ronald Reagan

SPOT MARKETS

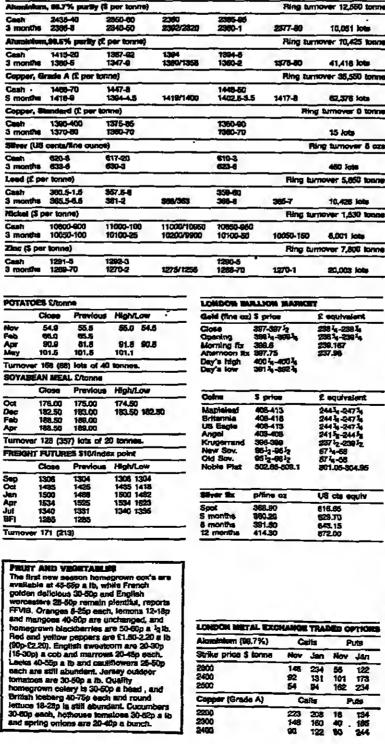
2		
Crude oil (per barrel FOB)		+ or -
Dubai Bront Blend W.7.i. (1 pm est)	\$11.72-1.80z \$13.35-3.42q \$14.57-4.60z	-D.D8
Off products (NWE prompt delivery per	tonna CIF)	+ or -
Premium Gasolina Gas Oli Heavy Fuel Oli Naphtha Petroleum Argus Estimates	\$172-174 \$118-121 \$61-62 \$132-134	.1 -2
Other		+ or -
Gold (per troy oz) \$\Pi\\$ Silver (per troy oz) \$\Pi\\$ Platinum (per troy oz) Palladium (per troy oz)	\$397.25 621c \$491.00 \$118.5	-4.00 -1 -1.75
Aluminium (free market) Copper (US Producer) Lead (US Producer) Nichel (free market) Tin (European free market) Tin (Kusta Lumpur market) Tin (New York) Zine (Euro, Prod. Price) Zine (IUS Prime Western)	\$2390 115 ⁵ B-21 ¹ 2 c 37c 510c \$4420.8 19.57r 344c \$1312.5 65 ⁵ B c	+55 -20 -12.5 +0.05
Cattle (live weight)† Sheep (dead weight)† Pigs (live weight)†	112.12p 146.93p 72.87p	-0.72* -7.16* -0.41*
London daily sugar (raw) London daily sugar (white) Tate and Lyle export price	\$250.8x \$246x \$250	+2.0 +1 +2
Barley (English feed) Maize (US No. 3 yellow) Wheat (US Dark Northern)	£111.25q £127v £126q	
Rubber (spot) ♥ Rubber (Oct) ♥ Rubber (Nov) ♥ Rubber (KL RSS No 1 Oct)	62.25p 68.75p 69.25p 302.5m	-0.25 -0.25 -0.25 -1.5
Coconut oil [Philippines]) Peim Oil (Malaysiun)) Copra [Philippines)) Soyabeans (US)	\$560x \$435 \$385 \$205	+15
Cotton "A" Index Wooltops (64s Super)	56.05c 655p	0.25 -6



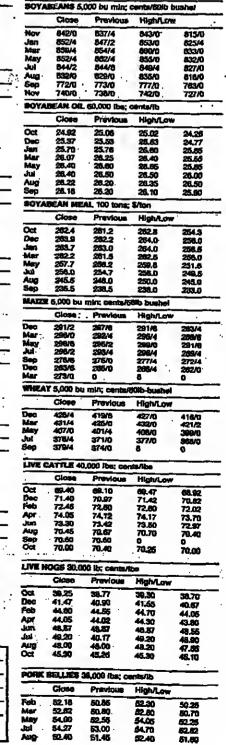
106.20 100.95 110.95 113.00

Turnover: Wheat 370 (212) , Barley 226 (317) .

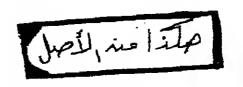
106.45 106.18 109.15 108.00 111.15 110.90 113.10 112.85



	TO FAL					Letest	Previous	s · High/Lo	TWF			_
		LING to a rallied ba			Nov	14.B3	14.56	14.64	14.45	- SOY/	USEANS 5	1,00
		ecember			Dec	14.43	14.35	14.44	14.24	•	Close	
		ham Lam			Jeri	14.37	14.27	14.38	14.20	Nov	842/0	_
		med to b			Apr	14.38	14.29	14,33	14.18 14.27	Jan	852/4	
		Short-co			Jua	14.35	14.85	8	0	Mar	859/4 852/4	
COM	mission	houses I	selped sil	ver gain	. Jul	14.40	14.88	14.42	14.40	_ Jul	844/2	
7 ac	d platin	um 5 doll	ars. Copp	er	HEA	THE CIL	42,000 US (pella, penta	/US galle	Aug.	63240	
		vered from			_	Latest	Previous	High/Lo	w	- Sen Nov	772/0 740/0	٠.
		udvancing			Oct	4120	4100	4145	4075			_
		as by the strength.			Nov	4190	4177	4220	4155	-UTA	BEAR OF	- 0
		markets h			Jan	4255	4243 4291	4290 4325	4230 4285		Close	
		gar was			Feb	4290	4278	4310	4270	Oct	24.92	
		mmission			Mar	4150	4 198	4195	4145	Dec Jan	25.37 25.70	
		d. Cocoa			Apr	4030 5030	4018 3898	4080 3960	4030 3905	Mar	26.07	
		s arbitrag			Jul	3930	3596	3935	3936	May Jul	26.40	Ė
		prices fe			COC	OA 10 ton	nes;\$/locare	15		Aug	26.22	
		tal buying		et railled		Closs	Previous	High/Lo		Sep	26.18	
		ower for			Dec	1218	1236	1240	1198	BOYA	DEAN ME	ΕÄÏ
		sined 412			Mer	1194	1214	1215	1179		Close	_
		heat was			May	7218	1250	1225	1195	Oct	202.4	_
		gained st			Jul Sep	1240	1245 1269	1246	1221 1250	Dec	269.0	
		al traders			Dec	1294	1908	1308	1263	Jan	263.7	
		es advan			COPF	EE "C" 57	,500fbs; ce	nts/lbe		Mar	267.7	
		ontract, in were ste				Close	Previous			- Jul	256.D	
		to rally t			Dec	125.83	127.04	126.95		Aug Sep	245.5 235.5	
				•	Mar	125.45	126.26	126,40	125.80			_
No	Y WE	ork			May	125.20	125.75	125.75	125.15	MAIZ	6,000 bu	_
		VIII.			Jul Sep .	125.00	125.13 124.76	125.20 124.85	124.78 124.50		Close:	-
GOL	100 tray	oz.; \$/troy (74.		Dec	122.50	122.25	0	0	Dec Mar-	291/2 296/0	
	Close	Previous	High/Lon		SUG/	IR WORLS	3 "11" 112,	DOO liber co	nts/tips	May	296/6	
800	399.3	398.4	300.3	398.8		Close	Previous			- Jul	298/2	
Oct	400.0	396.2	400.4	395.0	Oct	9.90	9.72	10.02	9.80	Sep Dec	278/6 265/6	
Dec	404.8	401.6 464.0	0 406.5	0 300.D	Jan	9,11	8.70	9.40	8.40	Mar	273/0	
Feb	409.7	409.1	410.2	405.0	Mer	9.32 9.18	9.31	9.45 9.31	9.31	WHEA	Y 5,000 bi	4 6
Apr	414.9	414.3 419.5	416.0 420.8	415.0 415.0	Jul	9.05	9.04	9.23	9.18		Close	_
Aug	425.7	425.0	434.0	424.D	Oct	9.01	8.97	9.10	8.90	Dec	428/4	—
Oct	491.3	490.5	432.3	423.0	Jen	8.53	8.49	8		Mar	431/4	
PLAT	NEUM 50 t	roy oz, \$/tro	y oz.		COTT		communities			- Jul	407/0 376/4	
	Close	Previous	High/Low			Close	Previous	High/Lov	v	Sep	379/4	
Sep	490.6	465.1	8	0	Oct	53.18	61.90	53.20	52.35			_
Oct	490.8 493.4	465.1 457.2	495.5 495.9	482.0	Dec	51.30 51.40	50.52 50.68	51.53 51.55	50.66 50.75	LIVE	CATIFLE 4	0.0
Apr	497.9	401,7	501.0	484.0 490.0	May	51.63	51.08	51.70	51.30		Close	_
JUI	503.6	407.4	\$05.0	502.0	Jul							
Oct.	510.6	503.1	513.5		One	62.36	51.80 52.18	52.35 52.70	51.67	Oct	69.40	
				507.0	Oct Dec .	62.70 63.25	52.18 52.40	52.35 52.70 53.30	52.70	Dec	71.40	
	PR 8,000 to	roy oz; cent		507.0	Dec .	62.70 63.25	52.18	52.70 53.30		Pec Feb Apr	71.40 72.45 74.05	
	Ciose	Previous		507.0	Dec .	52.70 53.25 IGE JUNCE	52.18 52.40 15,000 lbs	52.70 53.30 ; cents/ibs	52.70 82.70	Pec Feb Apr. Jun	71.40 72.45 74.05 73.30	
Seo	Ciose 625.0	Previous 817.7.	/FOY OZ.	618.0	ORAN	52.70 63.25 IGE JUNCE Close	52.18 52.40 15,000 lbs Previous	52.70 53.30 cents/ibs High/Lov	52.70 52.70	Pec Feb Apr	71.40 72.45 74.05	
Sep	625.0 626.7	817.7 - 519.4	High/Low 622.5	618.0	Dec .	52.70 53.25 IGE JUNCE	52.18 52.40 15,000 lbs	52.70 53.30 ; cents/ibs	52.70 52.70	Pec Feb Apr Jun Aug	71.40 72.45 74.05 73.30 70.45	
Sep Oct Nov	625.0 626.7 631.1	Previous 817.7 - 519.4 823.8	High/Low 622.5 8	618.0 0	ORAN Nov Jen Mar	62,70 63,25 GE JUNCE Close 175,56 105,35 165,25	52.18 52.40 15,000 libs Previous 174.40 195.50 163.80	52,70 53,30 ; cents/ibs High/Lov 175,50 105,25	52.70 52.70 174.50 195.80 164.25	Pac Feb Apr Jun Aug Sep Oct	71.40 72.45 74.05 73.30 70.45 70.60 70.00	
Sep Oct Nov Dec Jan	625.0 625.7 631.1 635.3 640.1	817.7 - 519.4 623.8 628.0 632.8	High/Low 622.5 8 0 636.0 642.0	618.0 0 0 823.0 634.0	ORAN Nov Jen Mar	62.70 63.25 GE JUNCE Close 175.86 185.36 163.85	52.18 52.40 15,800 lbs Previous 174.40 165.50 163.80 162.80	52.70 53.30 ; cents/ibs High/Lev 175.80 105.85 165.25 168.70	52.70 52.70 174.50 195.80 164.25 163.70	Pac Feb Apr Jun Aug Sep Oct	71.40 72.46 74.05 73.30 70.45 70.60 70.00	100
Sep Oct Nov Dec Jan Mar	625.0 625.7 631.1 635.3 640.1 649.9	Previous 817.7 - 519.4 823.8 628.0 632.8 642.6	622.5 622.5 6 0 636.0 642.0 651.6	618.0 0 0 823.0 634.0	ORAN Nov Jen Mar Mar May Jul	62,70 63,25 GE JUNCE Close 175,56 105,35 165,25	52.16 62.40 15,000 lbs Previous 174.40 165.50 163.80 162.80 161.60	52,70 53,30 ; cents/ibs High/Lov 175,80 106,85 165,25 163,70 0	52.70 52.70 174.50 165.80 164.25 163.70	Pac Feb Apr Jun Aug Sep Oct	71.40 72.45 74.05 73.30 70.45 70.60 70.00	100
Sep Oct Nov Dec Jan Mar May	Ciose 625.0 628.7 631.1 635.3 640.1 649.9 650.7	Previous 817.7 - 519.4 823.8 828.0 632.8 642.6 652.4	622.5 622.5 60 636.0 642.0 651.6 659.5	618.0 0 9 823.0 684.0 686.0 650.0	ORAN Nov Jen Mar Mar May Jul Sep Nov	62,70 63.25 GR JUNCE Close 175.66 165.35 165.25 163.85 163.85 163.85 163.25 164.95 762.26	52.16 52.40 15,900 lbs Previous 174.40 165.50 163.80 162.80 161.60 190.10 160.80	52,70 53,30 ; cents/ibs High/Lev 175,80 166,85 165,25 168,70 0 190,10 0	52.70 52.70 174.60 165.80 164.25 163.70 0 186.00 8	Dec Feb Apr Jun Aug Sep Oct	71.40 72.45 74.05 73.30 70.45 70.60 70.00 FOGS 30.0 Close	100
Sep Oct Nov Dec Jan Mar	Ciose 625.0 628.7 631.1 635.3 640.1 646.9 650.7 670.2 880.5	Previous 817.7 - 519.4 823.8 628.0 632.8 642.6	622.5 622.5 6 0 636.0 642.0 651.6	618.0 0 0 823.0 634.0	ORAN Nov Jen Mar Mar May Jul	62,70 63.25 IGE JUICE Close 175.65 185.25 163.85 163.25	52.16 62.40 15,000 lbs Previous 174.40 165.50 163.80 162.80 161.60	52,70 53,30 ; cents/ibs High/Lov 175,80 106,85 165,25 163,70 0	52.70 52.70 174.50 165.80 164.25 163.70	Dec Feb Apr Jun Aug Sep Oct LIVE I	71.40 72.45 74.05 78.05 70.45 70.60 70.00 Close 39.25 41.47	100
Sep Oct Nov Dec Jan Mar May Jul	Cicse 625.0 628.7 631.1 635.3 640.1 649.9 650.7 670.2	Previous 817.7 519.4 623.8 628.0 632.8 642.6 652.4 682.9	##roy cc. ##gh/Low 622.5 8 0 636.0 642.0 651.6 659.5 671.0	618.0 0 9 823.0 634.0 650.0 650.0	ORAN Nov Jen Mar Mar May Jul Sep Nov	62,70 63.25 GR JUNCE Close 175.66 165.35 165.25 163.85 163.85 163.85 163.25 164.95 762.26	52.16 52.40 15,900 lbs Previous 174.40 165.50 163.80 162.80 161.60 190.10 160.80	52,70 53,30 ; cents/ibs High/Lev 175,80 166,85 165,25 168,70 0 190,10 0	52.70 52.70 174.60 165.80 164.25 163.70 0 186.00 8	Dec Feb Apr Jun Aug Sep Oct LIVE I	71.40 72.45 74.05 73.30 70.45 70.60 70.00 Glose 39.25 41.47 44.60	100
Sep Oct Nov Dec Jan Mar May Jul Sep Dec	Ciose 625.0 626.7 631.1 636.3 640.1 649.9 659.7 670.2 880.5 690.3	Previous 817.7 519.4 623.8 628.9 632.8 642.6 652.4 682.9 675.3	##styless 622.5 8 0 636.0 642.0 650.6 650.6 671.0 670.0	618.0 0 0 823.0 634.0 636.0 650.0 674.0	ORAN Nov Jen Mar Mar May Jul Sep Nov	62,70 63.25 GR JUNCE Close 175.66 165.35 165.25 163.85 163.85 163.85 163.25 164.95 762.26	52.16 52.40 15,900 lbs Previous 174.40 165.50 163.80 162.80 161.60 190.10 160.80	52,70 53,30 ; cents/ibs High/Lev 175,80 166,85 165,25 168,70 0 190,10 0	52.70 52.70 174.60 165.80 164.25 163.70 0 186.00 8	Dec Feb Apr Jun Aug Sep Oct Dec Feb Apr Jun	71.40 72.46 74.05 73.30 70.45 70.60 70.00 FOGS 30.0 Close 39.25 41.47 44.00 44.05 48.67	100
Sep Oct Nov Dec Jan Mar May Jul Sep Dec	Cicse 625.0 626.7 631.1 635.3 640.1 646.9 659.7 670.2 880.5 680.3	Previous 817.7 - 519.4 623.8 628.9 622.8 662.4 662.4 662.9 675.3 686.2	High/Low 622.5 8 0 638.0 642.0 651.8 659.6 671.0 679.0 680.0	618.0 0 0 823.0 634.0 636.0 650.0 674.0	ORAN Nov Jen Mar Mar May Jul Sep Nov	62,70 63.25 GR JUNCE Close 175.65 165.35 165.25 163.85 163.85 163.85 163.25 164.95 762.26	52.16 52.40 15,900 lbs Previous 174.40 165.50 163.80 162.80 161.60 190.10 160.80	52,70 53,30 ; cents/ibs High/Lev 175,80 166,85 165,25 168,70 0 190,10 0	52.70 52.70 174.60 165.80 164.25 163.70 0 186.00 8	Dec Feb Apr Jun Jul Dec Feb Apr Jun Jul	71.40 72.45 74.05 73.30 70.45 70.60 70.00 Close 39.25 41.47 44.80 44.87 49.20	100
Sep Oct Nov Dec Jan Mar May Jul Sep Dec COPP	Close 625.0 625.7 631.1 635.3 640.1 649.9 650.7 670.2 690.3 ER 25,000	Previous 817.7- 519.4 623.8 628.9 632.8 642.6 652.4 662.9 675.3 689.2 Previous	High/Low 622.5 8 0 636.0 642.0 651.6 659.6 671.0 679.0 696.0	618.0 0 9 823.0 834.0 654.0 656.0 652.0 674.0 890.0	ORAN Nov Jen Mar Mary Jul Sep Nov Jen	62,70 63.25 GR JUNCE Close 175.65 165.35 165.25 163.85 163.85 163.85 163.25 164.95 762.26	52.16 52.40 15,900 lbs Previous 174.40 165.50 163.80 162.80 161.60 190.10 160.80	52,70 53,30 ; cents/ibs High/Lev 175,80 166,85 165,25 168,70 0 190,10 0	52.70 52.70 174.60 165.80 164.25 163.70 0 186.00 8	Dec Feb Apr Jun Augy Sep Cot LIVE N Cot Dec Feb Apr Jun Aug Aug Aug	71.40 72.45 74.05 73.30 70.45 70.60 70.00 ROGS 30.0 Ciose 39.25 41.47 44.05 44.05 48.87 49.20 48.00	100
Sep Oct Nov Dec Jan Mar May Jul Sep Dec	Cicse 625.0 626.7 631.1 635.3 640.1 646.9 659.7 670.2 880.5 680.3	Previous 817.7 - 519.4 623.8 628.9 622.8 662.4 662.4 662.9 675.3 686.2	High/Low 622.5 8 0 638.0 642.0 651.8 659.6 671.0 679.0 680.0	618.0 0 0 823.0 634.0 636.0 650.0 674.0	ORAM Nov Jen Mar May Jul Sep Nov Jen	52.70 53.25 GRE JUNCE Close 175.85 160.35 163.25 163.85 163.85 163.85 162.25	52.18 62.40 ibs 774.40 ibs 774.40 ifs.50 163.50 163.80 ifs.80 160.80	52.70 83.30 ; centaribs HighLev 175.80 165.85 165.25 165.70 0 160.10 0	52.70 52.70 174.50 165.80 184.25 160.70 0 188.00 8	Dec Feb Apr Jun Jul Dec Feb Apr Jun Jul	71.40 72.45 74.05 73.30 70.45 70.60 70.00 Close 39.25 41.47 44.80 44.87 49.20	100
Sep Oct Nov Dec Jan Mar May Jul Sep Dec COPP	Cicee 625.0 628.7 631.1 535.3 640.1 649.9 656.7 670.2 680.5 686.3 Cicee 115.35 112.55 112.55 112.55 112.55 112.55	Previous 817.7 519.4 623.8 628.9 632.8 642.9 675.3 688.2 Decreased Previous 112.50 110.56 106.00	##roy oz. ##gfr/Low 622.5 8 0 638.0 642.8 651.8 651.6 671.0 679.0 698.0 115.15 111.75 110.00	618.0 0 9 823.0 834.0 836.0 650.0 674.0 890.0	ORAM Nov Jen Mar May Jul Sep Nov Jen	62.75 63.25 GRE JUICE Close 175.65 165.25 165.25 163.25 163.25 164.25 162.25	52.18 62.40 ibs Previous 174.40 193.50 163.50 163.60 190.10 190.20 160.80	52.70 83.30 ; centaribe HighLev 175.80 165.85 165.25 165.70 0 160.10 0	52.70 52.70 174.50 165.80 184.25 163.70 0 186.00 8	Dec Feb Apr Jun Sep Oct LIVE I Dec Feb Apr Jun Jus Aug Oct	71.40 72.45 74.05 73.30 70.45 70.60 70.00 ROGS 30.0 Ciose 39.25 41.47 44.05 44.05 48.87 49.20 48.00	
Sep Oct Nov Dec Jan Mar May Jul Sep Dec COPP	Ciose 625.0 625.7 631.1 635.3 640.1 649.9 659.7 670.2 880.5 686.3 ER 25,000 Ciose 115.35 112.85 103.35	Previous 817.7 - 519.4 623.8 628.0 632.8 642.6 652.4 662.2 655.3 669.2 10.65 106.00 101.00	##rey oz. ##gfr/Low 622.5 8 0 636.0 642.8 651.6 651.6 671.0 675.0 675.0 115.15 111.75 111.75 110.420	618.0 0 9 828.0 834.0 636.0 636.0 636.0 836.0 113.00	ORAM Nov Jen Mar May Jul Sep Nov Jen	62,70 63,25 IGR JUNCE Close 175,85 160,35 163,25 163,25 163,25 164,95 762,25 164,95 762,25 162,25	52.18 62.40 15,000 lbs Previous 174.40 195.50 163.50 162.80 190.10 190.10 190.20 190.20	62.70 63.30 ; centaribe HighLev 173.80 166.85 165.25 165.70 0 160.10 0	52.70 52.70 174.80 165.80 164.25 163.70 0 186.00 8 8	Dec Feb Apr Jun Sep Oct LIVE I Dec Feb Apr Jun Jus Aug Oct	71.40 72.40 74.05 74.05 70.40 70.45 70.60 70.00 Gidase 39.25 41.47 44.00 44.05 48.07 49.20 48.00 45.30 861U.MES	
Sep Oct Nov Dec Jan Mar May Jul Sep Dec COPP	Cicee 625.0 628.7 631.1 535.3 640.1 649.9 656.7 670.2 680.5 686.3 Cicee 115.35 112.55 112.55 112.55 112.55 112.55	Previous 817.7 519.4 623.8 628.9 632.8 642.9 675.3 688.2 Decreased Previous 112.50 110.56 106.00	# For Co. 1 High Low 622.5 8 0 636.0 651.6 651.6 651.6 651.5 651.0 696.0 115.15 111.75 110.00 104.20 8 84.50	618.0 0 9 823.0 834.0 836.0 650.0 674.0 890.0	Nov Jen Mar Mar Sep Nov Jen RES	62,70 63,25 GRE JUNCE Close 175,85 160,35 163,25 163,25 163,25 164,95 762,25 164,95 762,25 164,95 762,25 165,25 16	52.18 62.40 62.40 15,000 lbs Previous 174.40 163.50 163.50 162.80 160.80 160.80	62.70 63.30 ; centaribe HighLev 175.80 166.85 165.25 165.70 0 160.10 0	52.70 52.70 174.50 165.80 184.25 163.70 0 186.00 8 8	Dec Feb Apr Jun Oct Dec Feb Apr Jun Jul Aug Oct Porik	71.40 72.40 74.05 74.05 70.40 70.45 70.60 70.00 Gloss 39.25 41.47 44.00 44.05 48.87 49.20 48.00 45.30 Gloss	
Sep Oct Nov Dec Jan Mary Jul Sep Dec COPP Cct Nov Dec Jan Mary Mary Mary Mary Mary Mary Mary Mary	Cicse 625.0 628.7 635.1 535.3 640.1 649.9 652.7 670.5 696.3 ER 25,000 Cicse 115.55 101.59 96.53 64.00	Previous 817.7 - 519.4 623.8 628.0 632.8 642.6 642.6 652.4 662.2 656.2 10.66 101.06 98.80 94.50 92.00	#Fory oz. #Egh/Low 622.5 8 0 638.0 642.0 642.0 671.0 679.0 698.0 115.15 111.75 110.00 104.20 8 98.50 93.30	618.0 0 9 828.0 834.0 836.0 656.0 656.0 656.0 674.0 830.0 111.60 111.60 110.00 101.50 8	Nov Jen Mar Mar Sep Nov Jen RES	62,70 63,25 GRE JUNCE Close 175,85 160,35 163,25 163,25 163,25 164,95 762,25 164,95 762,25 164,95 762,25 165,25 16	52.18 62.40 15,000 lbs Previous 174.40 195.50 163.50 162.80 190.10 190.10 190.20 190.20	62.70 63.30 ; centaribe HighLev 175.80 166.85 165.25 165.70 0 160.10 0	52.70 52.70 174.50 165.80 184.25 163.70 0 186.00 8 8	Dec Feb Apr Jun Sep Oct LIVE I Dec Feb Apr Jun Jus Aug Oct	71.40 72.40 74.05 74.05 70.40 70.45 70.60 70.00 Gidase 39.25 41.47 44.00 44.05 48.07 49.20 48.00 45.30 861U.MES	
Sep Oct Nov Dec Jan Mary Jul Sep Oct COPP Sep Oct Nov Dec Jan Mary Jul Sep Oct Nov Dec Jul Sep Oct Nov Dec Jul Sep Oct Nov Dec Dec Dec Dec Dec Dec Dec Dec Dec Dec	Ciose 625.0 528.7 531.1 540.1 540.2 550.3 550.3 590.3 590.3 Ciose 115.35 103.35 101.39 90.55 94.00 91.90 91.90	Previous 817.7 519.4 623.8 628.9 642.6 662.4 662.9 675.3 689.2 112.30 110.66 106.00 101.00 98.50 94.50 92.00 90.18	##rey oz. ##gfr/Low 622.5 8 0 636.0 636.0 651.6 651.6 657.0 657.0 657.0 650.0 115.15 111.75 110.00 104.20 8 98.50 98.90 98.90	618.0 0 9 823.0 834.0 636.0 656.0 656.0 652.0 674.0 690.0 111.60 110.60 101.50 8 94.93 92.50 98.50	ORAN Nov Jen Mar May Jul Sep Nov Jen	52.75 53.25 IGE JUICE Close 175.65 163.35 163.25 163.25 163.25 164.95 162.25 162.25 162.25 163.25 162.25 163.25	52.18 62.40 15,000 ibe Previous 174.40 165.50 163.80 169.80 169.80 169.80 189.80 189.80 189.80 189.80 189.80	82.70 83.30 ; centsribe High/Lov 175.80 195.85 195.25 193.70 0 0 0 0 0 0 0 0 195.85 195.25 193.70 0 0 0 0	52.70 52.70 174.50 165.80 164.25 163.70 0 186.00 8 8	Dec Feb Apr Jun Aug Sep Oct LIVE h Live Apr Jun Jul Aug Oct Poris Apr Jun Jul Aug Oct Poris May	71.40 72.40 74.05 74.05 70.40 70.45 70.60 70.00 80.25 41.47 44.00 44.05 48.27 49.20 48.30 861U.ES Glose 52.18 52.18 52.40	
Sep Oct Nov Dec Jan Mary Jul Sep Dec COPP Cct Nov Dec Jan Mary Mary Mary Mary Mary Mary Mary Mary	Cicse 625.0 628.7 635.1 535.3 640.1 649.9 652.7 670.5 696.3 ER 25,000 Cicse 115.55 101.59 96.53 64.00	Previous 817.7 - 519.4 623.8 628.0 632.8 642.6 642.6 652.4 662.2 656.2 10.66 101.06 98.80 94.50 92.00	#Fory oz. #Egh/Low 622.5 8 0 638.0 642.0 642.0 671.0 679.0 698.0 115.15 111.75 110.00 104.20 8 98.50 93.30	618.0 0 9 828.0 834.0 836.0 656.0 656.0 656.0 674.0 830.0 111.60 111.60 110.00 101.50 8	ORAN Nov Jen Mar May Jul Sep Nov Jen	62,70 63,25 GRE JUNCE Close 175,85 165,25 163,25 163,25 163,25 164,25 162,25 16	52.18 62.40 15,000 ibe Previous 174.40 165.50 163.80 169.80 169.80 169.80 189.80 189.80 189.80 189.80 189.80	52.70 53.30 ; centaribs HighLev 178.80 166.85 165.25 163.70 0 160.10 0 0	52.70 52.70 174.80 165.80 164.25 163.70 0 166.00 8 8	Dec Feb Apr Jun Aug Sep Oct Dec Feb Apr Jul Aug Oct	71.40 72.40 74.05 74.05 70.40 70.45 70.60 70.60 70.00 Close 39.25 41.47 44.00 44.07 48.07 48.00 60.00	







And State of the s

The last

6 0 C

A CONTRACTOR

धर देख्य

الما مسرالكمل

WORLD STOCK MARKETS

2.006 2.840 11.640 7.630 388 660 84 613 本人名古山中西南 本名之上在古古古古古古古古古古古古 7,811 14568 605 7780 780 1412 stember 22 FIL 2,720 13,950 12,200 6,750 19,200 4,850 4,570 1,500 13,400 5,400 9,500 13,400 13,100 10 9.25 800 2.400 2.300 2.300 2.615 2.615 12.5000 12.500 12.500 12.500 12.500 12.500 12.500 12.500 12.500 12.5 57.00 +1 106.00 +3 139.00 -2 102.50 -0.5 52.00 -0.5 120.50 -1 120.50 -1 121.00 -1 121.00 -1 120.00 +3 Line + 67—

12.775 +45

332 +45

332 +163

1.346 +57

9.130 +50

1.346 +37

9.130 +40

1.346 +35

1.346 +35

1.346 +35

1.346 +35

1.346 +35

1.346 +35

1.346 +35

1.346 +35

1.346 +35

1.346 +35

1.346 +35

1.346 +35

1.346 +35

1.346 +35

1.346 +35

1.346 +35 大子子中 青 子中子子 المحمد المحمد September 2x
Aberroom
AECI
ABERT Tech
Angle Am Cost
Berroom
Berroom
De Good
Berroom
De Good
Berroom
De Good
Berroom
De Good
De Goo そうかってそうかっているからちゃうしゃり Yes

2,870

1,650

1,650

1,470

1,470

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,570

1,57 Hippon Lt Metal
Prippon Mesal Pack
Rippon Mesal Pack
Rippon Mesal Pack
Rippon Gli
Rippon Gli
Rippon Gli
Rippon Serio
Rippon V
Rippon → 100mm + 100mm 770 820 1,700 1,25,800 2,210 2,580 2,580 2,580 2,580 1,590 1,500 1 1.400 1.700 1.700 1.700 1.700 1.700 1.664 667 1.150 2.500 1.360 1. 수의 : 소방학원 등 수송 방송 수 등 수 이 남한 수 나를 HORSE KENNE
Sephersher 22
Bark East Ada
Carby Pacific
Lithera King
Dahra Light
Energy
Hany Sery Bark
Hany Sery Bark
Hany Sery Bark
HK Chiss
HK Caliss
HK Storright Hotels
HK Storright Hotels
HK Storright Hotels
HK Storright Bark
HK Storright Bark 11,070 351 | 5 | 545 | 54 | 5 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 | 555 |

						<u> </u>		IND	ICES						
NEW YO	RK		D0\	w Jó	NES					Sept	Sept	Sex	Sept	15	996
	Sep	Sep	Sep	Sep	19	•	Since on	moltyche		22	21	20	19	High	Low
industrials	2090.50	20 2087.46	19	16 2098.15	18sh 2158.61	Los-	18gh 2722.42	41.22	AUSTRALIA All Ordinaries (L/L/80) All Mining (L/L/80)	1541.7	1543.6	1546.7	1599.5	1657.5 (9/8) 847.8 (9/8)	1170.7 CID/2 532.4 CID/2
ome Boods	89.12	88.95	89.06	89.15	572	2010 25840		12/1/30	AUSTRIA	070.2	97.0	034.3	673.3	41.6 (7)(0)	3324 (10)4
hansport	892.77	886.80	861.42	876.94	908.45 G/D	1313	1101.16	12.32	Credit Akties (39/12/94)	202,7	200.8	202.5	201.8	202.7 (22/9)	163.98 CL/
البالكافة	179-53	180.18	179.47	180.24	190.02	100 M	227.83 227.83 227.937	617/320 10.50 68/4/32)	BOLSHUM Bousseld SE (1/1/84)	\$257.5	5315.1	5210.7	5150.0	5315.1 (21/9)	3608,35(4)
Day's High 2103.31	1 (2097.2)) Low 20	78.77 C	773.260		1 ()			DENJARK Capadages SE CALAST		227.30	224.37	223.21	227.86 (3/5)	180.66 W)
TANDARD AND PO	270.16	269.73	268.82	2/0.65	275.66 722/60 318.54	242.63	336.77	4.40	FINLAND Unitas General (1975)	700,7	701.9	7013	704.2	772.1 6/8	530.6 (15/7
Tosocials	310.11 25.98	309.47 26.01	308.45 25.95	26.05	20.54 (20)60 26.05 (26.78	000 000 000 000 000 000 000 000 000 00	(25,000) (25,000) 32,43 (25,000)	13432 124432 14474	FRANCE CAC General CR /12/825 (ed. Teadance Cl /12/87)	37L6	366.6 141.4	364.7 139.0	366.6 139.5	371.6 (22/%) 143.7 (22/%)	251.3 29/1 89.7 2 9/1
ryse Composite	152.64 298.97 384.91	152.44 298.63 384.10	297.67	152.79 298.22 383.91	155.35 (22/6) 309.33 10/67 344.77	136.77 (2071) 22.77 (1271) 331.47	187,99 (25,66,67) 363,01 (13,66,67) 455,23	2944420 29331 (V12/72) 54.87	EERMANY FAZ Aktien (31/12/58) Commondank (1/12/53) DAX (30/12/67)	515.58 1567.3 1253.68	518,40 1576,40 1260,99	513.04 1558.76 1245.98	515.07 1566.20 1252.66	518.40 (21/9) 1576.40(21/9) 1260.99 (21/9)	396.40 (29) 1267.9 (29) 931.18 (28)
			n 16	Sep 1	מושם	9 19	(Zipperar)	CLIMITZ	RONG KONG Hary Sery Bank (\$1/7/64)	2455.84	2032,00	2423.23	2447.98	2772.53 (32/7)	2223.56 (8)
ow industrial Civ	. Yield .	3	.68	3.71	3	.79	year ago (3	Sanza Core. Ital, (1972)	640	524,87	524,24	526.13	545.07 (18/3)	423.91 (9/2
& P Industrial di & P P/E ratio	ı yield .		9 14 19 3.00	Sep 7 3.24 12.80		9 24 .30 3.57	2.4 23.2		JAPAN ⁴⁰ Intel (16/5/49) Tokyo SE (Topho) 44/1/68)	27428.31 2108.55	27712.66 2122.03	27549.58 2123.64	27901.00 2151.86	28423.38 G/S 2253.10 G/S	21217.04 (4) 1690.44 (4)
RADING ACTIVITY	2I 5	itilions ep 20	T Volum Sep 19	∫4 5	mics Traded .	Sep 2	1,951	1927	WETHER ANDS ANP-CRS General (1970) ANP-CRS Industrial (1970)	270.7 228.2	270.9 227.2	268.7 225.9	26A.2 22b.4	284.8 (9/5) 239.3 (9/6)	205.7 WIL 157.9 01/1
ew York 12	27,400	9,947	136.770		alir nclunged	- 70 - 70	1 460	都	NGRWAY Oslo SE (4/1/839	265.65	351.35	352,70	387.1A	423.64 (22,17)	327.78 (28)
TC 9	7.016 99.945	114.662	99.84		eer Highes leur Louis		2 26	25	SINCAPORE Strates Times Ind. (30/12/66)	1045,86	1046.53	1039.90	1082 52	1177,87 (8/8)	. 833,604/1
CANADA ORONTO	-				Sep	Uha	1966	-	SOUTH AFRICA JSE Gold (2019) 7781 JSE (adustria) (2019) 7781	1202.04 1662.04	1209.0 1664.0	1236.0 1564.0	1213.0 1663.0	1451.0 (777) 1758.0 (29/7)	1154.9 14/5 1387.0 02/2
letals & Minerals	27	5.8 Z	_	736.0 2	734.0	High 225.5 (5/7) 465.4 (5/7)	228	1.pw 8.7 (8/2) 7.9 (8/2)	SPAIN Made to SE (30/12/85)	275.21	276.64	276.91	275.91	301,63 (15/6)	225.50 (4/1
ONTREAL PORCHOICE						723.71 G/TI		06 CZI(I)	SWEDEN Jackson & P. CIL/12/56)	3124.50	3085.20	3061.60	3015.30	3124.50 (22/9)	2148.5 (4/1
EW YO	RK	ACI	ΓΊVΕ	STO	DCKS	•			SWITZERLAND Seris Bank Ind. (31/12/58)	ы	559.10	554.0	555,80	559.10(21/9)	466,6 03/1
Wednesday	Stack	s Cle	cing Carlos	der .		Sto	cks Clesk fed prior 6.900 37: 2.300 582	Change on day	WORLD M.S. Canital Ind. (1/1/70)	Ca)	440.4	439.8	441.7	445.2 (15/6)	401.0 (21/)

| Stocks Glosing Charge | Traded Prices on day | Honshu Paper | 18.5m | 1,000 + 63 | Honshu Paper | 18.5m | 1,000 + 63 | Honshu Paper | 18.5m | 1,000 + 63 | Honshu Paper | 18.5m | 1,000 + 63 | Honshu Paper | 18.5m | 1,000 + 63 | Honshu Paper | 18.5m | 1,000 + 63 | Honshu Paper | 18.5m | 1,000 + 63 | Honshu Paper | 18.5m | 1,000 + 63 | Honshu Paper | 18.5m | 1,000 + 63 | Honshu Paper | 18.5m | 1,000 + 63 | Honshu Paper | 18.5m | 1,000 + 63 | Honshu Paper | 18.5m | 1,000 + 63 | Honshu Paper | 18.5m | 1,000 + 63 | Honshu Paper | 18.5m | 1,000 + 63 | Honshu Paper | 18.5m | 1,000 + 63 | Honshu Paper | 18.5m | 1,000 + 63 | Honshu Paper | 18.5m | 1,000 + 63 | Honshu Paper | 18.5m | 1,000 + 63 | Honshu Paper | 18.5m | 1,000 + 63 | Honshu Paper | 18.5m | 1,000 + 63 | Honshu Paper | 18.5m | 1,000 + 63 | Honshu Paper | 18.5m | 1,000 + 63 | Honshu Paper | 18.5m | 1,000 + 63 | Honshu Paper | 18.5m | 1,000 + 63 | Honshu Paper | 18.5m | 1,000 + 63 | Honshu Paper | 18.5m | 1,000 + 63 | Honshu Paper | 18.5m | 1,000 + 63 | Honshu Paper | 18.5m | 1,000 + 63 | Honshu Paper | 18.5m | 1,000 + 63 | Honshu Paper | 18.5m | 1,000 + 63 | Honshu Paper | 18.5m | 1,000 + 63 | Honshu Paper | 18.5m | 1,000 + 63 | Honshu Paper | 18.5m | 1,000 + 63 | Honshu Paper | 18.5m | 1,000 + 63 | Honshu Paper | 18.5m | 1,000 + 63 | Honshu Paper | 18.5m | 1,000 + 63 | Honshu Paper | 18.5m | 1,000 + 63 | Honshu Paper | 18.5m | 1,000 + 63 | Honshu Paper | 18.5m | 1,000 + 63 | Honshu Paper | 18.5m | 1,000 + 63 | Honshu Paper | 18.5m | 1,000 + 63 | Honshu Paper | 18.5m | 1,000 + 63 | Honshu Paper | 18.5m | 1,000 + 63 | Honshu Paper | 18.5m | 1,000 + 63 | Honshu Paper | 18.5m | 1,000 + 18 | Honshu Paper | 18.5m | 1,000 + 18 | Honshu Paper | 18.5m | 1,000 + 18 | Honshu Paper | 18.5m | 1,000 + 18 | Honshu Paper | 18.5m | 1,000 + 18 | Honshu Paper | 18.5m | 1,000 + 18 | Honshu Paper | 18.5m | 1,000 + 18 | Honshu Paper | 18.5m | 1,000 + 18 | Honshu Paper | 18.5m | 1,000 + 18 | Honshu Paper | 18.5m | 1,000 + 18 | Honshu Paper | 18.5m | 1,000 + 18 | Honshu Paper | 18

. . . Eindhoven · Rotterdam with NLM

FINANCIAL TIMES

Have your F.T. hand delivered in Switzerland

If you work in the business centre of BAAR, BASEL, BERNE, GENEVA, LAUSANNE, LUGANO, LUZERN, STGALLEN, ZUG, ZURICH or WINTERTHUR — gain the edge over your competitors. Have the Financial Times hand delivered to your office at no extra charge and you will be fully briefed and alert to all the issues that affect your market and your business.

12 FREE ISSUES

When you take out your first subscription to the F.T., we'll send you 12 issues free. Then see for yourself why William Ungeheuer, Time magazine's senior financial correspondent, describes us as "the paper with the best coverage of international finance."

Geneva (022) 311604
And ask Peter Lancaster for details.

FINANCIAL TIMES

3pm prices September 22

NEW YORK STOCK EXCHANGE COMPOSITE PRICES

12 Month
Nigh Low
Stock
St, 44, BaryWr, 50a
St, 12, 198, SDN
St, 12, 198, SDN
St, 12, 198, SDN
St, 12, 198, SDN
St, 194, BaryWr, 50a
St, 124, SB, BaryWr, 50a
St, 194, BaryWr, 50 | The color of the 301- Ahliber a 201
31- Ahliber a 301
31- Ahliber 612 Businió — C
161 in 162
174 CB1 pf 3.50
1451: CB3 2
275 CCX 414
141 CB3 2
281 CCX 414
141 CB3 2
281 CCX 414
161 CB4 En 164
170 CB4 En 164
181 CB4 Fn 184
181 CB4 Fn 184
181 CB4 Fn 185
181 CB4 In 185 24 (18) 3 (18) 18 (23) 11 22 (18) 13 (18) 13 (18) 13 (18) 14 (1 1922年の1922年の1924年の1924年の1924年の1922 19 CRSS = 24
25 CSX = 1.24
25 CSX = 1.24
25 CSX = 1.24
25 CSX = 1.24
25 Catesar = 182
25 Catesar = 182
25 Catesar = 1.25
26 Catesar = 1.25
27 Catesar = 1.25
28 Catesar = 1.25
29 Catesar = 1.25
21 Catesar = 1.25
21 Catesar = 1.25
22 Catesar = 1.25
23 Catesar = 1.25
24 Catesar = 1.25
25 Catesar = 1.25
26 Catesar = 1.25
27 Catesar = 1.25
28 Catesar = 1.25
29 Catesar = 1.25
20 Catesar = 1.25
20 Catesar = 1.25
21 Catesar = 1.25
22 Catesar = 1.25
23 Catesar = 1.25
24 Catesar = 1.25
25 Catesar = 1.25
26 Catesar = 1.25
27 Catesar = 1.25
28 Catesar = 1.25
28 Catesar = 1.25
29 Catesar = 1.25
20 Catesar = 1.25
21 Catesar = 1.25
22 Catesar = 1.25
23 Catesar = 1.25
24 Catesar = 1.25
25 Catesar = 1.25
26 Catesar = 1.25
27 Catesar = 1.25
28 Catesar = 1.25
28 Catesar = 1.25
29 Catesar = 1.25
21 Catesar = 1.25
22 Catesar = 1.25
23 Catesar = 1.25
24 Catesar = 1.25
25 Catesar = 1.25
26 Catesar = 1.25
27 Catesar = 1.25
28 Catesar = 1.25
28 Catesar = 1.25
29 Catesar = 1.25
20 Catesar = 1.25
20 Catesar = 1.25
21 Catesar = 1.25
21 Catesar = 1.25
22 Catesar = 1.25
23 Catesar = 1.25
24 Catesar = 1.25
25 Catesar = 1.25
25 Catesar = 1.25
25 Catesar = 1.25
26 Catesar = 1.25
27 Catesar = 1.25
28 Catesar = 1.25
28 Catesar = 1.25
29 Catesar = 1.25
20 Catesar = 1.25
20 Catesar = 1.25
21 Catesar = 1.25
21 Catesar = 1.25
21 Catesar = 1.25 AShip Ambour .64 ASI piss 36 ATS7 1.20 AmWir .68 AmHori ATr 6.23 Arg un 8.33 Ameron 1.12 Ames Dp. 10 Americ 8.80 Americ 1.68 Americ 1.68 Americ 1.68 Americ 1.68 3.50 1 .30 .12 | BI | Applies | 17/2 Archibr | 180 | 17/2 Archibr | 180 | 2 | 181 | Arcock | 282 | 3 | 181 | Arcock | 3 | 181 | Arc 12-5 College 1.48
28-5 CVPS 1.98
38-5 CVPS 1.98
38-6 CVPS 1.98
38-7 CVPS 1.98
38-

P/ Sh

Yid. E 100x469ch 1
10 100x469 Control of the state of the sta 2214 1355 8 8 6 15 16 17 17 17 18 18 17 18 | 126 | Enter pl. 103 |
126	Enter pl. 104
127	Enter pl. 105
128	Enter pl. 105
128	Enter pl. 106
128	Enter pl. 107
129	Enter pl. 107
120	Enter pl. 108
127	Enter pl. 108
128	Enter pl. 108
128	Enter pl. 109
128	Enter pl. 109
129 r_{1}	

| Series | Second | 197 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 0.000 0.11 0.000 0.00000 0.0000 0.0000 0.0000 0.0000 0.0000 0.0000 0.0000 0.0000 0.000 | 12 | 14 | 15 | 16 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 | 17 | 16 |

| Series | S THE STATE OF THE S THE PROPERTY OF THE PROPERTY O 9 Gwerte 8
9 Gwerte 80
254 Print 1.72
91 Print 15
91 P

SEOUL CHOSE PHILIPS TELEVISION

SHOULDN'T YOU DO THE SAME?

PHILIPS

9

46年,对于中央的政治,并不是不是不是不是不是不是不是不是,并不是不是不是不是,我们们的政治,我们们的政治,也是不是不是,也可以是不是一个,也可以是一个,我们们的政治,我们们的政治,也可以是一个,我们

Have your F.T. hand delivered in Norway If you work in the business centres of BERGEN. OSLO or STAVANGER — gain the edge over your Have your Financial Times personally delivered to your office at no extra charge and you will be fully briefed

and alert to all the issues that influence or affect your 12 ISSUES FREE

When you take out your first subscription to the F.T., we'll send you 12 issues free. Then see for yourself why William Ungeheuer. Time magazine's senior financial correspondent, describes us as "the paper with the best coverage of international finance."

Oslo (02) 684020 And ask Heidi Aastorp at Narvesen Info Centre-NIC for details.

FINANCIAL TIMES

3 2105 944 22 287 13, 8 117 10 7.7 5 26 274 -1 12 451 104 19 11 230 245 88 76574 207

43 17 3068 18. A 17 307 18. A 17 307 18. A 18 240 18. A 1

1814 -2814 -2714 + 10 + 245 + おおいいない

Have your F.T. hand delivered . . .

at no extra charge, if you work in the business centres of

HELSINKI & ESPOO

Helsinki (90) 694 0417

COMPOSITE PRICES

| State | Might | State | Stat Block Profee Profee Profee Profee Profee Profee Profee Raw Rases A Rieses n Reger Rades School Schoo ATTAL SALES AND 812 15-18+1 1412-25-1512+ 1519-114 178 2 419-21₀ 31₀ 143₀ 371₀ 67₀ 153₀ 71₀ 2877760

OVER-THE-COUNTER

Sector Dre. FricOri Fremed 67 FricOri FricOr

Dow falls in low volumes on futures-related activity

Wall Street

THERE was little momentum for share prices yesterday and volumes remained low in a session which saw some early futures-related programmes pushing the market lower and some unfounded rumours that Presideot Reagan had suffered a heart attack, writes

Janet Bush in New York.
The early futures related selling pushed the Dow Jones Industrial Average down by more than 10 points in early trading and by 2pm the index stood 12.26 points lower at

2,078.24. Volume totalled 97m shares by midsession but a large pro-portion of this was accounted for by the early stock index arbitrage. Genuine activity remained light.

US Treasury bonds were virtually nnchanged across the yield curve for most of the morning but showed some slip-page at midsession. The Trea-sury's benchmark long bond was quoted a point lower for a yield of 9.02 per cent.

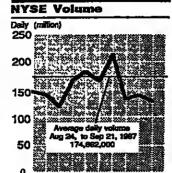
There was little to provide the market with interest yesterday with no key economic figures due for release and no surprises in the batch of figures published on Wednesday.

The only area of volatility in US financial markets was on the foreign exchange market where traders sold the dollar on rumours that President Reagan bad suffered a heart attack. The White House issued a denial and shoft-covering pushed the dollar sharply higher again, prompting mod-est intervention to stop its rise

by the US Federal Reserve. The only figures released were initial claims for state unemployment insurance, looked at for clues on employment trends, which showed a fall of 16,000 in the week ended September 10. These figures had little impact although economists at Griggs & Santow said they were indicative of

EUROPE

Bear, Stearns said yesterday that economic and investment fundamentals warranted equal boldings of stocks and bonds and helow-average cash positions. The company's portfolio strategists said that the down-ward risk from current prices in the stock and bond market



September 1988

was not much more than 5 per However, despite the fact that many analysts believe investors should be getting into the stock market, participation remains at a very low ebb and investors still seem to be extremely nervous. The market's sharp fall on Monday

and sideways drift on subse-quent days has disappointed

professionals in the market as

Among blue chip issues, International Business Machines was quoted \$% lower at midsession at \$113, Merck was \$¼ down at \$58¼, Procter & Gamble slipped \$% to \$78% and American Telephone & Telegraph was quoted \$% lower at \$26%.

Among featured individual stocks was Coleman Co, which rose \$3% to \$39% following the death of the company'e chair-man Mr Sheldon Coleman.

Zero Corp added \$% to \$16.

day that be was actively exploring acquisitions in the electronics products industry.

He was countering speculation that Coleman itself would be a good candidate to be taken American Hoist & Derrick dropped \$1% to \$9% after the company said that its earnings for the third quarter had dropped sharply from a year ago. Its net incoma of 2 cents a

share in the latest quarter was well below analysts' forecasts.

Canada

WEAK energy issnss and industrial stocks pulled Toronto shares slightly lower in brisk midday trading. The composite index, which had risen about 3 points in ear-lier trading, slipped 1.6 to 3,257.1 as declines ontnumbered advances by 282 to 228 on active turnover of 17.2m

Among most active stocks, Nova of Alberta lost C\$% to C\$11%, Trimac dropped 25 cents to C\$3.85 and Doman Industries was unchanged at

A slip in the price of oil hit some energy issues, with Tex-aco Canada off C\$% at C\$37% and Ranger Oil weakening C\$% to C\$7, but Gulf Canada urces ended unchanged at

In industrials, Dofasco lost

C\$% to C\$27%, Molson class A declined C\$% to C\$25% and Varity was unchanged at Alcan Aluminium, which said it had moved forward the commissioning of its Laterriere

months to October next year, fell C\$% to C\$35%.

Among other base metal miners, Inco and Falconbridge were steady at C\$33% and C\$20 respectively and Noranda was

aluminium smelter by 14

Austrians start to cast caution to the wind Judy Dempsey on a change of attitude that has helped to blow Vienna to a year high

R enewed foreign buying, a clutch of new listings in the near future and changing attitudes among cautious Austrian investors have given the share index of the Vienna bourse a much-needed lift over the past few weeks. The Credit Aktien index

climbed yesterday to a high for the year of 202.7, a gain of 23 per cent since the low of 163.98 or about 50 per cent of turnreached in February. Yesterday's close is still below the 229 mark of a year ago, but bankers believe the bourse is finally coming ont of the dol-

Although the market did not suffer greatly from last year's October crash, falling by only 13 per cent, it was sluggish throughout the first quarter of

this year. Last March, it received an enormous fillip when, owing to the favourable ontcome of a **SOUTH AFRICA**

A FURTHER fall in the bullion a FURTHER fall in the builds price sent Johannesburg gold issues lower in thin, confused trading yesterday. A fluctua-ting financial rand added to

ting financial rand added to the uncertainty.

The gold price dropped to almost \$392 before closing at about \$398. Beatrix lost 50 cents to B10.75, while Randfontein moved against the trend, gaining B2 to R232, after falling to R228 earlier.

In mining financials, Consolidated Gold Fields rose B1 to R94. On Wednesday, the company rejected the £2.8bn bid made in the UK from Minorco, made in the UK from Minorco, which lost RL50 to R51.

Gold Fields of South Africa, an associate of Consolidated Gold Fislds, lost R2.50 to R54.50. Minorco has said it plans to divest its stake in GFSA to Rembrandt if its bld is successful. Rembrandt was unchanged at R17.10.

Driefontein, a gold mine managed by GFSA, was also unchanged at R33.25. Anglo American, which has been mentioned as a possible buyer of GFSA in the past,

court case, the shares of Montana, the Austrian group specialising in financial services, mining and biochemical prodncts, rose a spectacular Sch11,000 to more than Sch19,000. At that time, trading in the stock often reached Sch11m worth of shares a day

Montana'e shares, which now stand at about Sch19,600, did not push np other shares, however, with the stock's good performance generally remain-ing an isolated case.

A combination of circumstances over the past two months seems to indicate that the market as a whole is now beginning to shape up.

For one thing, foreign investors who "discovered" the Vienna bourse back in the summer of 1936 - lifting the index to around 240 - are returning. However, unlike with previous spurts of foreign, sbort-term buying, Austrian bankers say that this time round investors "are looking at the long-term."

This trend is underlined by

in dollar terms.

It is not only foreign buying

This irend is underlined by the recent launch in New York of a package of medium-term investment shares by Laenderhank, Austria's third largest bank. The shares include the recently privatised Austrian Airways and OeMV, the oil and chemical group, and the successful Constantia group. Since the May 26 launch, the shares have gained 14 per cent in schilling terms and 4 per cent in dollar terms.

that has taken the share index higher. Bankers believe that the Austrians themselves, who in the past shied away from the capital markets, are now beginning to transfer some of

Austria Credit Aktien Index

their Schl,000bn (\$76bn) savings into shares.

The change in attitudes has obviously been helped by the socialist-led coalition Government's 1987 privatisation law

ings - and the recent tax reform, which will lead to taxes on some savings

accounts.

That, together with the new smart advertising campaign for the sale of the Verbund, the Austrian electricity group, is stracting both the small Austrian investor and institutions

to equities.

Bankers say that the current trend in the bourse bodes well for November, when the public will have a chance to buy Verbund's 15m shares at the nomi-

nal prices of Sch100. Next month, moreover, nom-inal share capital worth Schl70m - a 20 per cent stake -of the Vorariberg Kraftswerk, another utility company, will also be offered to the public. The two new listings suggest a busy time schead for the

ASIA PACIFIC

Trust fund selling knocks Nikkei

Tokyo

A WAVE of selling by trust funds helped take equities sharply lower in Tokyo yester-day after Wednesday's brief rally, writes Michiyo Nakamoto in Tokyo.

The Nikkei average lost a hefty 284.35 points to 27,428.31 after moving between a high of 27,804.51 and a low of 27,375.52. Volume rose slightly to 868.6m from 856.6m.

In London, Japanese shares were little changed, as the ISE/ Nikkei 50 index inched up 0.04

Analysts in Tokyo said there had appeared to be a consider-able amount of selling by trust funds, which have not been nearly as active recently as in

the past.

The Emperor, in addition, is still reported to be in a stable but critical condition. With the possibility that the market could be closed for a few days, "people were just trying to unload a bit," said Mr Piers Higson Smith, assistant manager of equities trading at S.G. Warburg Securities. The Emperor's illness is also affecting the timetable for par-

liamentary deliberations and giving rise to greater uncertaintly over various issues on the agenda, such as greater scope for a proposed capital

in morning trading, large capital steel issues continued on Wednesday'e firm note, with Kawasaki rising to a new high of Y850. At the close however, the sector was mixed, with Nippon Steel - the vol-ume leader at 145.8m shares down Y9 at Y780.

Kawasaki, the second most heavily traded issue with 117.6m shares, closed up Y8 at Y847 and NKK, with third heaviest volume at 87.6m, was up Y2 at Y772.

Paper companies, which saw strong demand after reports that the Emperor was ill, remained firm. Houshu added Y63 to Y1,000 and Jujo Paper advanced Y10 to Y1,020. Oji Paper, however, lost Y10 to Y1,470 following a round of profit-taking.

Some issues were able to maintain their strength in a generally weak market. Kubota, a leading agricultural machinery maker, rose to an all-time high of V810 in morning trading. It attracted intering trading. It attracted interest because of redevelopment possibilities of land that it owns in Osaka and expectations that orders for its cast iron pipes will rise from Iran

and Iraq where the goods are

used for oil transport, Kubota,

however, failed to sustain its momentum and closed up a modest Y9 at Y795.

Tokyo Gas also rose in early morning trading to match its record high of Y1,330. The company had been popular for its land holdings along Tokyo's waterfront. In addition, it was announced on Wednesday that the margin buying balance of the utility stock declined 41 per cent to 54.3m shares from the April 2 peak of 92.5m. It closed Y10 higher at Y1,310.

In Osaka, trading was dominated by big capital stocks, which mostly declined. The OSE average fell 104.54 to 26,062.69 and volume declined to 137.1m from 106.7m.

Bond prices in Tokyo weakened yesterday afternoon fol-lowing an earlier rise. The yield on the benchmark 105th issue closed at 5.085 per cent, up 0.010 of a percentage point from Wednesday. Market par-ticipants bought the issue following the Bank of Japan's certificate of deposit buying operation in the morning. The sharp rise in the price made investors nervous later in the day and profit-taking selling was triggered by a report that the head of the Bank of Japan was in favour of higher interest rates.

Roundup

BARGAIN-HUNTERS appeared in Asia Pacific markets, help-ing to boost Hong Kong and to reduce the day's losses in Sing-apore and Australia. HONG KONG closed aharply

higher in improved volumes, with the Hang Seng index up 23.84 at 2,455.84. Turnover totalled HK\$432.9m worth of shares, still relatively thin but much better than Wednesday's HK1285,2m.

Tachun topped the active list on its first day of trading, clos-ing at HK\$1.25 against the

ing at HK\$1.25 against the HK\$2 offer price.

SINGAPORE saw bargain-hunting and profit-taking in a lacklustre session, at the end of which share prices were little changed. The Straits Times industrial index lost 0.67 points

AUSTRALIA lost ground again, but ended off the ses-sion's lows on late bargain-hunting for gold issues. The All Ordinaries index eased 1.9 to 1,541.7. Electronics and communics

tions group AWA, which reported healthy annual profits after losses last year, fell 3 cents to A\$3.25. TAIWAN-rose to a record

high, with the weighted index adding 208.01 to 8,418.87.

Shock trade figures unsettle Paris

largely responsible for move-ments in the main European markets yesterday, although the lower opening on Wall Street caused concern all round, writes Our Markets

PARIS was knocked in the final half bour of trading by news of a worse-than-expected trade deficit last month and moving upwards for most of the day.

market was going "The along quite swimmingly until this shock newe came out," said one salesman, who called the figures "ghastly." The sea-sonally adjusted deficit reached FT-9bn compared with

FFr3.4bn in July.

The opening CAC General index was up 5 at a high for the year of 371.6 but the day closed with the OMF 50 index off 3.89, or 1 per cent, st 373.26. Volumes were estimated to be higher than Wednesday's FFr2.2bn worth of shares, with good demand from London. Such stocks as Perrier, Bouy-gues and Moulinex were active

LVMH, which held a dignified shareholders' meeting that gave no clines on a possible break-up of the luxury goods group, ended FFr70 lower at FFr3.015.

Supermarket group Carrefour was strong after a buy recommendation, climbing FFr170 at one stage, but it finished the session up only FFr65 at FFr2,645.

SELECTIVE demand from the US for blue chips such as Glaxo, Reuters and Beecham helped partly to counter two London sell programmes and profit-taking. The FT-SE 100 index ended off 8.1 at 1,788.7.

reported a healthy profits rise after the close on Wednesday, finished FF16 higher at FF1341. It is one of the shares underly-ing the options market and trading closed before the defi-

cit news.
FRANKFURT eased back in what traders called "a healthy correction" after recent strong gains, with turnover falling from Wednesday's DM4.47bn worth of shares to DM2.9bn. The fall, which took the DAX real time index down 7.31 to 1,253.68, was seen as a temporary interruption to the mar-ket's rally. There were always buyers around at the lower levand foreign . demand remained strong, said one salesman. Economic news due next week was expected to be

favourable and would feed through into equities. Wall Street's weak opening yesterday also held share prices in check. The midday FAZ index was up 2.54 at

Banks, which led Wednes day's rally, gave up most of the previous day's gains. Deutsche Bank lost DM6 to DM515,

Dresdner fell DM4.50 to DM287.50 and Commerzbank

dropped DM2.20 to DM246.30. Cars went in different directions, with BMW easing 60 pig to DM6.50 and Daimler off DM6.50 at DM708.50. VW, which said it would be listed on the Paris bourse from next Wednesday, firmed DM1.20 to DM264.50 and Porsche added

DM6 to DM570. saw active tra and gained ground, with the yield on the 6% per cent August 1998 bond at 6.57 per cent after 6.59 on Wednesday. MILAN saw good demand for insnrer Generali, which released good interim results

yesterday, and for Fiat, which reports next week. Volumes were similar to Wednesday's L103bn worth of shares and the Comit index ended unchanged Generali rose L50 to L39,150 and Fiat gained L190 to L9,430, edging back after hours. STOCKHOLM advanced to a

year's peak, as shares rose for the fourth day in a row, carried on the wave of confidence that followed last Sunday's general election. The J&P index gained 39.30 to a 1988 high of 3,124.50. Foreign investors returned to the market and turnover reache SKr481m - its highest level since before the global markets crash last October and about

SKr100m np on Wednesday.

AMSTERDAM closed at its lowest level of the day, after modest gains were erased by a weak opening on Wall Street.

BRUSSELS saw its strong run of recent days interrupted when speculators in Tractebel the energy and telecommunications group, suddenly headed for cover, writes Tim Dickson in Brussels.

The 20 per cent plunge in the company's share price to BFr7,670, along with an accompanying but less dra-matic fall in Petrofina — in which Tractebel has a 10 per cent stake - from BFr14,800 to BFr14,500, was largely responsible for dragging Brussels' forward market index 2.5 per cent down from Wednes-

day's record level to 5,488. The widespread selling by smaller investors was encouraged by a statement from Tractebel's two leading share-holders, which appeared to play down remours of a rift. A total of 114,725 sbares changed hands, against 237,800 on Wednesday.

Elsewhere chemicals and electricals generally advanced, while Fabrique Nationale, the Liege-based armaments manufacturer, was a bright spot with an 8 per cent rise – up BFr82 at BFr1,130 on expectations of encouraging results in the latter part of the year.

ZURICH benefited from the switch out of gold into equities and ended higher in increased

MADRID was beset by interest rate worries and shares moved lower. The general index lost 1.43 to 275.21.

FT-ACTUARIES WORLD INDICES

Jointly compiled by the Financial Times, Goldman, Sachs & Co., and Wood Mackenzie & Co. Ltd., in conjunction with the Institute of Actuaries and the Faculty of Actuaries

NATIONAL AND REGIONAL MARKETS		WEDNESS	AY SEPTEMI	BER 21 1988		TUESDA	Y SEPTEMBE	IR 20 1988	į o	MLLAR INS	EX
Figures in parentheses show number of stocks per grouping	US Dollar Index	Oay's Change %	Pound Sterling Index	Local Currency Index	Gross Olv. Yield	US Dollar Index	Pound Sterling Index	Local Currency Index	1988 High	1988 Low	Year ago (approx)
Australia (85). Austria (16). Belgium (63). Canada (125). Denmark (39). Finland (26). France (128). West Germany (100). Hong Kong (46). Ireland (18). Italy (100). Japan (456). Malaysia (36). Mexico (13). Netwerland (38). New Zealand (20). Norway (25). Singapore (26). South Africa (60). Spain (43).	120.73 118.27 128.03 115.88 96.39 79.60 99.24 128.64 170.88 158.24 137.30 152.34 102.76 69.33 112.76 119.49 100.72 136.56	-09 -00.61 -01.733 -00.65 -00.	121.93 77.28 106.83 104.65 113.29 102.54 85.29 70.44 87.82 140.02 140.02 140.02 140.03 90.66 61.35 99.78 89.12 120.84	117.59 85.05 118.50 104.35 125.11 107.62 77.57 99.52 126.57 73.87 134.23 141.00 380.85 98.88 60.26 105.57 112.25 88.07 129.11	4.04 2.46 4.26 3.26 2.38 1.63 3.37 2.39 4.91 2.73 0.55 2.83 1.43 4.92 6.26 2.83 2.44 4.87 3.50 2.52	139.07 87.59 120.01 118.17 127.11 116.21 95.20 79.14 98.72 127.98 71.06 158.75 135.75 151.55 102.49 69.17 111.49 119.18 100.25 137.23	122.29 77.02 105.53 103.91 111.78 102.18 102.18 112.54 62.49 119.37 133.26 90.12 60.83 98.04 104.80 88.16 120.67	117.61 84.95 117.19 104.43 123.83 107.62 94.64 76.70 99.00 125.27 73.72 134.26 139.35 378.86 98.42 59.96 104.19 111.99 88.54 129.38	152 31 98.18 139.89 128.91 132.72 139.53 99.62 80.79 111.86 144.25 81.74 154.17 180.07 110.66 84.05 137.23 135.89 139.07 164.47 125.50	91.16 83.72 99.14 107.06 111.42 106.78 67.78 84.90 104.60 62.99 133.61 107.83 90.07 95.23 64.42 98.55 97.99 98.26 130.73 96.92	176.84 100.95 127.83 135.57 118.02 114.16 101.60 149.69 145.16 90.47 141.07 171.16 375.54 124.69 136.50 183.93 160.43 184.20 161.06
Switzerland (55) United Kingdom (322) USA (580)	76.15	+0.1 +0.6 +0.2	67.39 110.79 97.78	74.74 110.79 110.50	2.27 4.67 3.61	76.09 124.44 110.29	66.91 109.42 96.98	74.25 109.42 110.29	86.75 141.18 112.47	74.13 120.66 99.19	108.57 158.23 131.05
Europe (1008) Pacific Basin (669) Euro-Pacific (1677) North America (705) Europe Ex. UK (686) Pacific Ex. Japan (213) World Ex. US (1875) World Ex. UK (2133) World Ex. So. Af. (2395) World Ex. Japan (1999)	134.42 110.90 89.72 116.89 133.54 124.50	+0.5 -0.3 -0.1 +0.4 +0.3 -0.1 +0.0 +0.0 +0.3	91.49 137.21 118.94 98.13 79.40 103.44 118.16 110.16 110.34 95.94	96.91 132.14 118.04 110.14 88.42 105.97 117.39 115.42 115.16 106.30	3.81 0.76 1.71 3.59 3.10 4.31 1.78 2.17 2.38 3.71	102.88 155.57 134.51 110.69 89.36 117.26 133.62 124.54 124.66 108.13	90.47 136.80 118.28 97.34 78.58 103.12 117.50 109.51 109.62 95.08	95.89 132.15 117.66 109.95 87.63 105.74 117.04 115.22 114.85 104.80	110.82 172.26 147.53 113.29 92.99 128.27 146.49 131.77 132.39 112.43	97.01 130.81 120.36 99.78 80.27 87.51 120.26 111.77 113.26 100.00	128.82 142.68 137.19 131.29 110.56 162.50 137.79 132.88 134.82 132.33

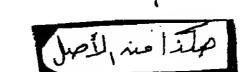
Base values: Dec 31, 1986 = 100; Finland: Dec 31, 1987 = 115.037 (US \$ Index), 90.791 (Pound Sterling) and 94.94 (Local). Copyright, The Financial Times, Goldman, Sacks & Co., Wood Mackenzie & Co. Ltd.1987
Latest prices were unavailable for this edition.

EUROPE APPROACHES 1992 WITH STRONG ECONOMIES. INCREASING PROFITS, AND TAKEOVERS. NOW IS THE TIME TO LOOK AT MORGAN GRENFELL'S EUROPEAN GROWTH TRUST.

> **CALLFREE** 0800-282465



Issued by Morgan Grenfell Unit Trust Managers Limited. Member of LAUTRO, IMRO and the Unit Trust Association



SECTION III

FINANCIAL TIMES



Roundup

the WERG of the Control of the Contr

AND STATE

in . ii male

THE STANDING

10 July 100

्रायध्य

3 min 8

90 to 1222 1 1 6 1 272

Latin whee

i-si far

人名英格兰 网络萨拉

THE PERSON NAMED IN COLUMN

All the second

TRALIA ME

What will happen to property in the Square Mile when more becomes available in the

central London area and its immediate environs? The outlook, says Paul Cheeseright, Property

Correspondent, should become clearer in the next six months

Sunshine is not forever

UNCERTAINTY IS the keynote now. The City of London property market until last autumn had talked itself into a growth-is-forever state of mind. The demand for space had seemed endless, the prices people would pay to purchase or lease it had seemed without limit. Now it seems less simple. Few believe that the market is heading for a crash, but many believe it may quietly sink as little, or, to put it another way, learn to live with a situation where tenants and

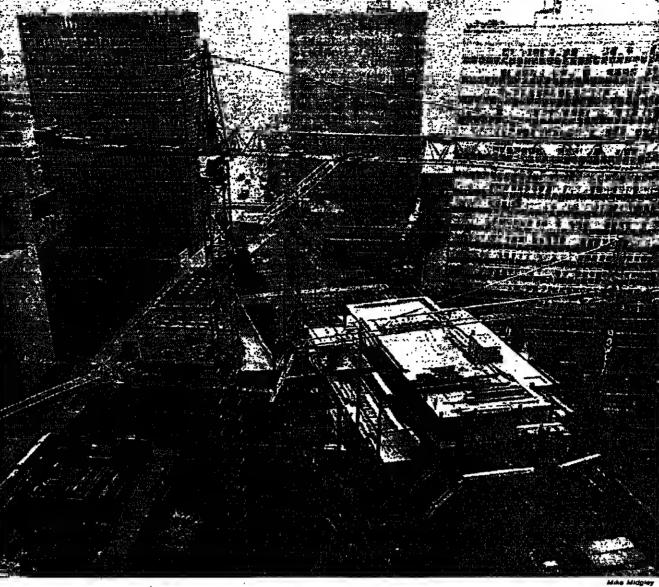
buyers have more choice.
There are problems of definition, of course. The City of London is no longer a-discrete entity held in by Holborn, Hackney, Tower Hamlets and the Thames. The finite space has forced financial houses out to compute for space in other to compete for space in other areas. Indeed, some observers have suggested that the pace of rental rises in the West End has made the City look cheap. So the financial community has been spreading out and there are moves to widen it further. The Canary Wharf development at London Dock-lands is directed at the establishment of a third London office centre, along with the City and the West End, but

the office stock in Docklands is

But the stock will increase elsewhere too. Not so much in the West End as such - there are space restrictions — but in Holborn, King's Cross and Paddington. The point is that the City will become less of a market unto itself, it will be one part of a much wider market because tha supply cycle is extending.
It could be argued that the current national commercial

property boom began in the City. Changing demand for accommodation, allied to tha expansion of the financial sector consequent upon deregula-tion and the growth of London as an international financial centre, caught the City unprepared in 1985 and early 1986. The response, encouraged by the City planners, was an explosion of developmant activity, which is now beginning to work its way through the supply pipeline and which will have ite full and which will have its full impact on the market not this year but in 1989-91.

At that stage it would nor-mally be the case that developers would slacken their activities, waiting for the market to absorb the new space, waiting even without Canary Wharf, for new rental trends to be



City of London Property

established. Traditionally the market has moved in cycles. evidence that developers have been preparing for just this eventuality, concentrating their purchases of land and buildings on properties which have an existing rental stream. Their buying activities have in any case dropped since last

What is different about the current cycle is the amount of building going on elsewhere. The supply cycle therefore becomes strung out. Canary Wharf space, available now for pre-letting, will be physically available from around the time that the City itself will be feeling the effects of the current building boom. That much is fairly certain.

The uncertainty surfaces in any consideration of what happens to property in the Square Mile once there is a much graater availability elsewhere in the central London area and its immediate environs.

The outlook should become clearer after about six months, when it has become apparent how developers will deal with the planning consents they already have in their pockets. The amount of construction going on now is a fraction of what could take place if all the

There will always be a market for high quality buildings which meet the need

of financial and professional tenants in the City. Despite the current building boom, the general standard of accommodation available is not high. But there will be less of a market for tha hastily constructed buildings of lower quality in fringe locations. It seems likely that many projects falling into that category will never come out of

the ground.

If they did, then there could be a space glut of Dallas or Houston proportions, enabling potential tenants to drive down rents and extract cost

concessions from the property

owners. The City of London Corporation's planning committee in any case has signalled that the boom is over. In the aftermath of the equity market crash last October, the committee noted that the boom had never been expected to last forever and it made clear that future planning applications would be treated with more stringency than they had been over the preceding 18 months. This has meant that

planning applications are being treated strictly according to the published policy guidelines so that developers can no

CONTENTS

Demand: bait is tasty, but

some may wriggle free

Periphery: Square Mile gets

banks turn cautious Stock market: essets count as interest rates rise Construction and tong-term skills: gold dust on Concorde ? Tenants: starting to call the

longer expect floxible treatment of, for example, plot ratios - the proportion of space relative to the land area on which it is built. The ratio has been set at five-to-one.

The City planners have no desire to see the Square Mile littered with empty buildings. The difficulty, though, is trying to estimate demand. The equity market crash brought bome the forgotten point that the financial markets, like the property markets, move in phases and that expansion could not continue for ever. Since then, securities turnover has been lower, making glaringly obvious the simple notion that financial bouses will not endlessly mop up

The argument that any slackening in the demand from financial houses will be happily absorbed by professionals like solicitors and accountants fails to take into account the fact that many of the professionals live off the financial houses. Retrenchment in one leads to a slowing down in demand for the services of the other.

That said, for as long as London is an international financial centre, there will be a base level of demand. The trouble is nobody knows where to draw it. The evidence of the last few months suggests some slowing down of the market ooce immediate space needs have been met. These are of course extensive and the rate of take-np, monthly blips notwithstanding, has remained high.

A slowing down would mean that City rents, after the heady rise of the last year, bave reached or about to reach a plateau. It would mean that tbere are unlikely to be too many property purchases on the extravagant scale of the Obbayashi acquisition of Bracken House, the Financial Times beadquarters, when the price reached £3,575 a square foot, some £1,500 more than a British company might bave paid.

already seems to have entered the calculations of the banks. This does not mean that they have stopped lending for City property developments. Far from it. But it does mean that they are assessing with even

greater care some of the more marginal proposals. Bank lending to property compaoies generally has

exploded and there has been a strong representation of foreign banks in the chase for clients. This chase, at least before the stock market fail, meant in some cases a readiness to accept rental projections for new buildings based on expectations of a rising market.

But now, banks are apparently insisting that revenue projections for a building are done on the basis of existing rental levels. Caution has replaced bope. This factor is Itself a

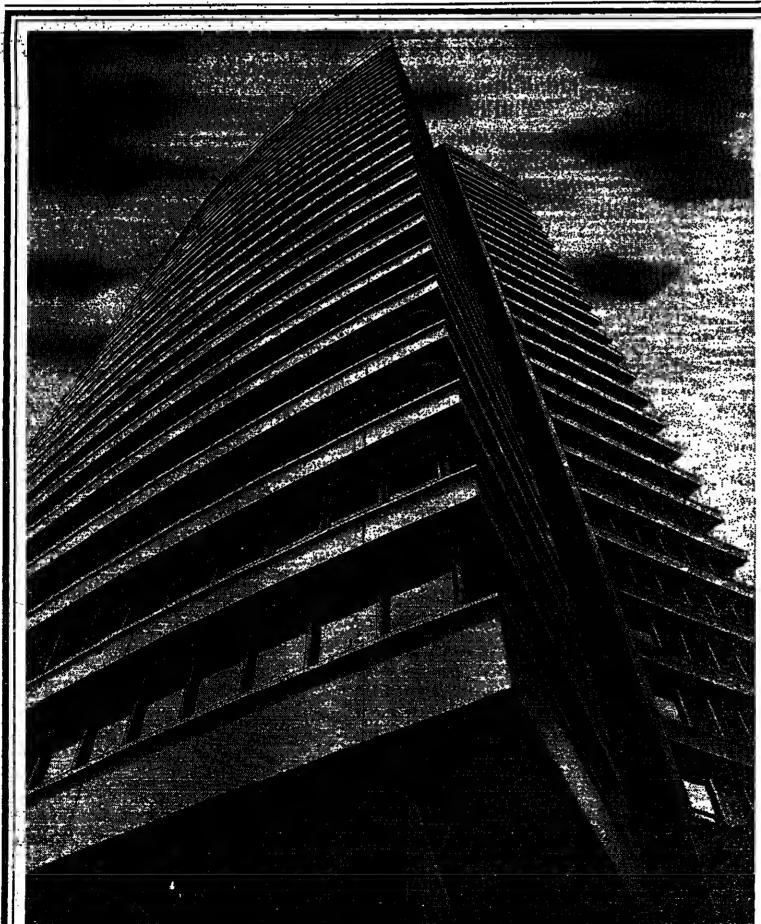
deterrent to some new building and does not take into account the effect of the higher level of interest rates. Upward changes in interest rates will not necessarily have affected developments already taking place. Many of the property investment companies have secured long-term finance at fixed rates. Many of the short-term loans will have interest rate hedges built into

But if interest rates remain at their present levels, then the costs of new financing for new developments will bave increased, thus forcing a reassessment of the prospects for a new building, especially when those prospects are pitched against the background of the likely new supply,

There are, in short, a number of questions hanging over the City property market in the medium term which the players in the market are now seeking to address. If the questioos merely concerned demand and financing that would be one thing. But they go further.

It is not clear what will be the impact next year of the imposition of value added tax on property transactions. It is not clear bow tenants will seek to handle their accommodation costs in the light of the imposition of the raniform business rate from 1990 when the supply-demand balance could be swinging in their favour.

It is all very sobering after the heady days of last summer when the sun looked as if it would shine forever.



The nineteenth floor of Drapers Gardens EC2 is where you will meet your advisers from the County NatWest property team.

No other investment bank so successfully blends the skills of the financier and the surveyor.

County NatWest are leaders in non-recourse project finance, and are developing a growing reputation in specialist equity/mezzanine property finance.

The best views on UK property are from the nineteenth floor of this building.

Our commitment to innovative finance is demonstrated by our unrivalled track record in leading major property transactions.

We advise on and manage pension fund property portfolios worth more than £400m, and with our corporate finance side, we advised and financed Giltvote's recent acquisition of EPIC.

Test the range and depth of our skills. Phone John Fender, Mark Stewart or Richard Mully on 01-382 1000. It could broaden your outlook.

> County NatWest Limited, Drapers Gardens, 12 Throgmorton Avenue, London EC2P 2ES

> > **COUNTY NATWEST**

& The NatWest Investment Bank Group

New schemes are expanding the office stock. Yet developers may not be as daft as they seem

Signs of timidity from the bulls

AT FIRST sight, the City of ft London Wall development on London appears to be facing a the back burner and Greycoat tidal wave of new development which will dwarf anything that has gone before and could create huge areas of unlet space. Estimates vary of offices either under construction or on the drawing board, bot they all nudge close to 30m sq ft.

When this figure is set against the total stock of about 55m sq ft, it is understandable that financial backers are con-cerned, particularly when big schemes such as Canary Wharf and King's Cross are also set to come into play within the next

five years. Even at second sight, the prospect for a gint seems over-whelming. So why are there still question-marks over every attempted analysis of the City's future?

One reason is the sheer impossibility of working out exactly how much space will be required in the next decade (see article on demand, opposite). The other revolves round the interpretation of these

Put simply, the optimists believe that developers are not as daft as they are painted. They can see supply figures swelling better than any outsider and will keep many schemes firmly glued to the drawing board if they cannot winkle out a pre-let.

So the long-term statistics are fairly meaningless. Already there are some proposed devel-opments which have slipped back into the 1990s. Stanhope seems to have put its 250,000 sq

has short-let space in Moor House, a similar-sized project on the same street.

One reason why the property team at Morgan Grenfell takes a relaxed view about impending over-supply is that develop ers like these can bide their time. They have the cushion of income flowing from short lets on buildings such as those on London Wall or low site-carry-ing costs, as at Broadgate and Wates' 400,000 sq ft proposal

Another reason for Morgan Grenfeil's confidence lies in their close analysis of the sup-ply figures. They point out that half the 19m sq ft they have identified in the pipeline is not extra space at all: the buildings will molecular spring offices. will replace existing offices.

for City Plaza.

Tenants are desperate for more modern offices to accommodate the new technology which dominates business life. so the City is swirling with movement. Healey & Baker recently found that most of the occupiers it questioned intended moving within five

Developers still ploughing ahead with schemes seem to lean on this longer-term confidence in demand. "Take-up may have been enormous in the years since 1989, but very little additional space has been created in that time," says Mr Peter Hunt, chairman of Land Securities.

He is quite relaxed about his 650,000 sq ft City development FUTURE SUPPLY OF OFFICE SPACE Figures in thousands of square feet

	Available	Approved	Application	Total
Sub 25,000 sq ft	1.031	854	471	2,355
25-50,000 sq ft	928	1.494	730	3,152
50-100,000 sq ft	1.343	2.142	919	4,404
100-200,000 sq ft	985	2.293	1,098	4.376
200,000 + sq ft	1,626	7,484	3,876	12,965
Totals	5,913	14,257	7,094	27,274
			Source: Jones	Lang Vice

programme and has just started work on another giant at Milton Court in Chiswell Street. It helps, of course, when half that scheme is prelet, but then so is more than 80 per cent of the total space cur-rently under way in the City.

The main concern of doubting Thomases centres not on some massive surplus stretching into the 1990s but a relative imbalance which will bring rental growth screeching to a halt over the next two or three years. Morgan sees enough inhulit demand to postpone any weakening until 1991, with rents drifting up until then to between \$45 and \$35 a sq ft on large developments and \$35 to £75 on smaller core space.

Mr Geoffrey Pentecost of Jones Lang Wootton believes the crossover will come earlier - perhaps next year. Even then there will be some hotspots such as the City core and its western fringes where sup-ply will be limited. Like Mr Hunt, he believes that tenants will revert to demanding spe-cific locations like this and

keep rents moving.
"You can't talk of a simple supply-demand balance because this will vary by areas according to preferences with, say, professional firms fooking to the professional firms fooking.

Among this herd of bulls wander a few bears. Mr Geoff Marsh of Applied Property Research, much in demand from agents and developers for its computerised analysis of market trends, has been urging caution since long before last October's crash blew the froth off the City.

to the western City fringes," he

There is an idea going around that we will follow the pattern of New York as a world financial centre," he says. New York has 300m sq ft of offices, London has only 150m sq ft – therefore we have the capacity to expand. What is not mentioned is that London rents are twice those across the Atlantic

"The property market is not immune to the price mechanism. Agents are privately producing reports that predict

year - long before Black Mon-day. That in itself leaves APR open to charges of Beckmanitis (a syndrome attributed to Mr Bob Beckman, the pundit who has been predicting a property crash ever since the 1970s).

But Mr Marsh sees little rea-son to change his view that the market is due for a bucket of cold water as demand and sup-ply race past each other in opposite directions.

Even the bulls show some signs of timidity. Vacancy rates which have fallen as low as 1.5 per cent are likely to rise in the pext year or two to around 6 per cent and pre-lets are declining as the Big Bang effect fades. That is still well below other world centres such as New York, says Jones Lang Wootton, but it concedes in an overview of the City market published this month that future supply could give cause for concern.

It also points to a "spectre of uncertainty", reinforced by the prospects of new VAT charges and business rate increa

Even the pre-letting cushion may be deflated. Savills says that up to 20 per cent of space taken for future occupation could come back on the market as tenants sub-let offices they do not need. Meanwhile, the ce released as tenants claim their pre-lets will flood on to the market.

For the moment, that is a godsend for tenants desperate

APR has been forecasting falling rents since August last year - long before Ricch last

sacrificed to availability. JLW says take-up socred 60 per cent to \$70,000 sq ft in the first six months of this year.

Eventually this will turn into the separate ther, with poorly located or serviced space dragging average rents down much more quickly than attend offices however. prime offices, however.

Developers such as Mr Hunt see that more as an opportunity than a disadvantage. Only about a third of the City's stock has been dragged into the age of technology and the more outdated space that becomes available, the more chance there is to satisfy ill-accommodated tenants. commodated tenants.

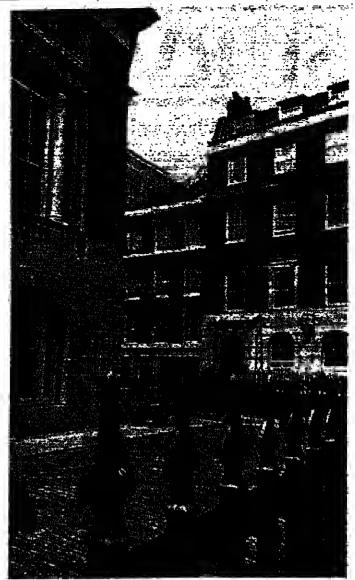
commodated tenants.

There are few questionmarks in the minds of certain
single-minded developers —
only solutions. Land Securities
insists it is careful to build
only in the best locations for a
plasmed market. But the denger pointed out by Morgan
Grenfell is that others may
plough aboat hrespective of
demand, because they are so
securely financed they risk securely financed they risk

For every ressurance about fears of over-supply there seems to be a danger briking in the background. How these balance out at a time of such encertainty becomes a matter

In the end one more attempted analysis of the future of City property can only conclude with a question-

David Lausen



Arundell House recently won the City Haritage Award for rectoring 41 and 43 Trinity Square, near the Tower of Landon



THE CITY ON THE WATERFRONT

International companies like Nomura, Pershing Keen and Lloyds Bank have already chosen Harbour Exchange.

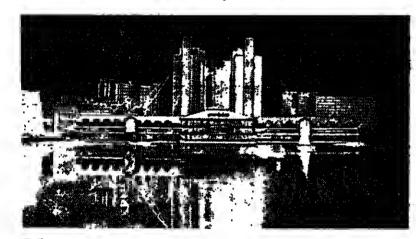
Rents around £20 per sq ft and no rates until 1992.

H.Q. buildings up to 500,000 sq ft and a range of suites from 3,000 sq ft available.

Top "City" specification throughout including VAV air conditioning, high speed lifts, raised floors and generous car parking.

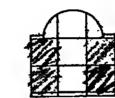
Waterfront restaurants, pub and shops.

Excellent rail, riverbus, road and airport connections.

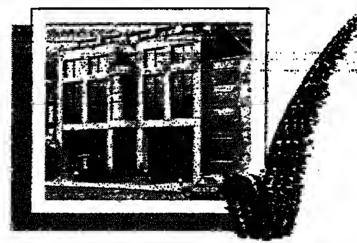


Call: Peter Hadley Harbour Exchange 01-538 8888

Nick Thomlinson **Knight Frank & Rutley** 01-538 0744



A NEW AIR CONDITIONED OFFICE BUILDING READY FOR OCCUPATION



MINT HOUSE 77 MANSELL STREET E1

10,000 - 30,000 SQ FT **PARKING**

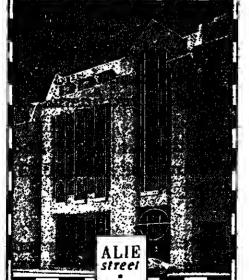
JOHN D WOOD

WRIGHT OLIPHANT 01-929 0854

01-588 0557

A DEVELOPMENT BY CLAYFORM PROPERTIES PLC

NEW 28,500 SQ.FT. OFFICE BUILDING — TO LET COMPLETION IN 1988



6 ALIE STREET 01-920 9191

LONDON E1. Richard Mains 01-623 6685

A JOINT DEVELOPMENT BY WINGLAW DEVELOPMENTS LIMITED AND MOWLEM PROPERTY DEVELOPMENTS LIMITED

FINANCIAL TIMES **Commercial Property Surveys**

The following Commercial Property surveys will be published by the Financial Times:-

M25 PROPERTY M11 CORREDOR PROPERTY RESEARCH FRIDAY 28TH OCTOBER 1988 FRIDAY 4TH NOVEMBER 1988 FRIDAY 25TH NOVEMBER 1988.

Please contact:

Joanna Dawson Jonathan Wallis Tessa Taylor

01-248 8000 Ex. 3269 01-248 8000 Ex. 4196 01-248 8000 Ex. 3211.

For further details regarding advertising and to obtain an Editorial synopsis on the above surveys or write to them at Financial Times, Bracken House, 10 Cannon Street, London EC4P 4BY.

> FINANCIAL TIMES **Europe's Business Newspaper**

DEVELOPERS

The newly formed Group resulting from the merger of Imry International PLC and City Merchant Developers PLC.

The merger has established Imry as a substantial presence in all areas of the property market.

The Royal Mint: London, EC3 The restoration and re-development of this historic site. Office and other spect total approximately 160,000 sq if net-final phase completion early 1989.

Birchin Court, London, EC3 65,400 sq fenet of space list been pre-sold and tenant demand

is encouraging - completion end 1988. Bouverie Street, London, EC4

Thames Quay London Docklands A significant office complex, designed to be occupied in self-contained buildings totalling 190,000 sq ft-completion

IMRY MERCHANT DEVELOPERS PLC Turning visions into reality

> 19 St James's Square, London SW1Y 4JT Tel: 01-321 0266 Fax: 01-321 0094



NORTHCROFTS

NORTHCROFT NEIGHBOUR AND **NICHOLSON** NORTHCROFTS INTERNATIONAL

Morgan Bank H.Q. Bracken House Leith House

Morgan Bank

National Heart and

edon, SWIA 2HU

ct: J. Abrahams on 839 7858

FREEHOLD OFFICES

As the leading agents specialising in freehold offices we maintain a detailed register of available property throughout West London and the City fringes.

Let us help you invest in your own business premises.

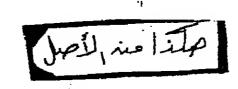
01 490 3366

FOR A COMPREHENSIVE COMMERCIAL PROPERTY SERVICE IN THE CITY AND **DOCKLANDS**

McDowalls Chartered Surveyors

558 Commercial Road, E14 7JD. Tel: 01-790 9832 Fax: 01-790 2127





Working out potential demand is like fishing for salmon, says David Lawson

Although the bait is tasty, some may wriggle free

CALCULATING the amount of new office space planned for the City of London over the next few years is relatively easy. Setting this against take up rates to find a point when rent rises should fade away is a doddle. So why is there so much disagreement in the industry about when this

or the Mark of the

threshold will be reached? Some pundits believe the soaring rise in values will fade in the coming year, others look further into the early 1990s before the City loses its head of steam. And a hard core of opti-mists still refuses to believe that the days of milk and

honey are numbered There are two main reasons for this diversity. Firstly, working out potential demand is like fishing for salmon. Every agent and developer has a mental list of prizes swimming deep in the rich waters of the expanding service economy. But no one can be sure which will rise to the surface, or

Businesses rarely plan more than two years ahead in a stable market. That horizon is even more limited in the shadow of post-crash uncertainty and nervousness about the world economy. Those which might want some space in the near future make tentative moves towards agents' hooks, and are totalled up as "future demand." The wise developer then throws in an adjusting factor to discount the ones that change their minds and wriggle free.

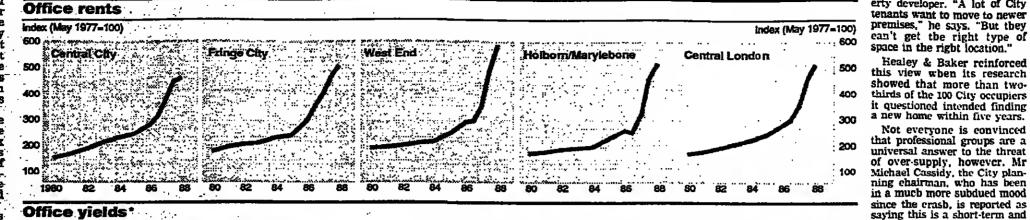
Secondly, hooking a big one is a rare skill, requiring the right bait. A thread of consensus about the post-crash mar-ket is that some potential ten-ants have refused to play as they do not like what is being dangled in front of them.

For instance, solicitor A and accountant B may both want a 350,000 sq. ft modern building somewhere between Fleet Street and the Bank. But even in the latest flood of developavailable until 1991. They stay put until one comes on the market and then both make a strike for the same bait, bid-ding against each other and

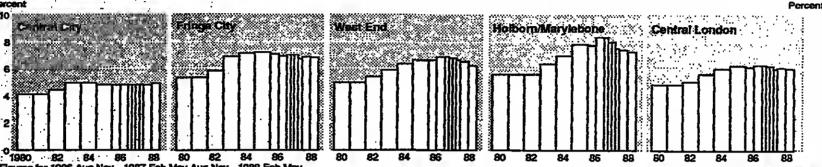
ramping up the rent level. When the laws of economics fly out of the window and a rise in supply increases prices, it becomes almost impossible to state with confidence when

and the entered

· "ERSTM







the two sides of the demand-supply equation will balance. Intuition and psychology become almost as important as computer projections. Develop-ers who guess right can make a fortune; those who do not may face disaster, as the 1970s collapse proved.

For the moment, current demand is keeping agents rea-sonably happy. The crash trimmed some sails but take-up slipped only 5 per cent to around 2.6m sq ft in the first half of this year, according to Jones Lang Wootton. That leaves unsatisfied hard requirements for 3.6m sq ft and a potential soft need for a further 4.2m sq ft. Combining the 1.25m sq ft immediately available with speculative space under construction produces a vacancy level of between 5 and 6 per cent – much less than most other world financial centres, says JLW.

Demand from banks has fallen back but slower-moving financial institutions still have to make up their mind about the final cost of the collapse.

Some may not be so keen on growth if trading volumes remain permanently low but the horrors widely predicted last October have not material-ised. Predictions of np to 200,000 redundancies proved

wildly wrong.
Only 5,000 jobs have disappeared out of a total of 90,000 in the financial sector, accord-ing to the property team at Morgan Grenfell Securities, which takes a bullish view of the short-term prospects for

Even if this figure is doubled to what some believe is a more accurate calculation of sackings, that pans out to around 1.5m sq ft of office space - not much more than 2 per cent of the total stock in the Square

Job losses will affect demand.

only if there is another market crash, according to Morgan Grenfell (although some might not rule that out either). Meanwhile, St Quintin has done an old-fashioned totting-up job on demand for space ready in 1990, calculating that more than 6m sq ft is required in slugs of at least 25,000 sq ft, plus another Im sq ft for smaller premises. The sole driving force in the

City is no longer the big finan-cial groups, however. Most have filled their needs for large buildings. Accountants, solicitors and management consultants now dominate the lists of potential tenants as they rise in a buoyant economy.

For instance, Clifford Chance has just taken Wimpey's 425,000 sq ft Little Britain office development next to Bart's Hospital, which has been waiting in the wings since the 1970s. Freshfields is believed to have reserved the massive Kumagai Gnmi scheme at Whitefriars. Others like Binder Hamlyn and Deloittes are among the names in the market for buildings of up to 350,000 sq ft. At least a dozen others want between

50,000 and 100,000 sq ft.

This is not just a time lag from the financial boom. Mergers forming firms like Clifford Chance have created strongerfinancial resources to exploit London's growing stature in international business, say the up more space per head than the old desks and there is amove to spacious dining and Morgan analysts. Flagsbip beadquarters are in great conference areas. All this is yet

demand to match this exalted have yet to rise to the surface stature. because they are choosy about the bait. Few will pay more "It is no longer a stigma to be in a quality building," observes Mr Bill Peach of than £45 a sq ft so they are ruled out of the £65-plus build-Baker Harris Saunders. "In ings in the City core. And lawfact, clients may demand this assurance where once they prestige buildings near their clients will eschew cheaper moaned that an accountancy firm's money should be spent on keeping down fees rather than buying better premises." stock in the suburbs. For instance, lawyers Cameron Markby expanded out of its

More business also means more staff. When Healey & Baker questioned 100 office tenants after the crash it still found an overall intention to expand staff, with average lev-els likely to rise this year by more than 12 per cent among professional groups and between 3 and 7 per cent in financial and banking busi-

Staff rises are even more significant than in the past, as each worker now takes up a lot more room. Work stations take question-mark about where they will come from in the For the moment the finanpletely retired from the mar-

ket, however. BHS says that half the current demand comes from this sector. But now that they have satisfied their appetite for giant financial factories, they tend to fill the mid-25,000 to 100,000 sq ft blocks, And they are also paying the highest rents. Arab Bank probmore "hidden" demand,

ably claims the latest record Many of these professionals with around £68 a sq ft for 35,000 sq ft ot 13 Moorgate. although this is unlikely to be the high-water mark for long. Surprise market entrants

helping to bid up values are the building societies, desperate for flagship premises in the City core to give them a suitable presence as neo-banks.

Healey & Baker reinforced

Not everyone is convinced

of over-supply, however. Mr

fickle source of demand. As a property lawyer, perhaps he

add to his planning judgement. Mr Cassidy is keeping his

eyes on more traditional finan-cial groups, although he sees a

The Halifax, for instance, paid a then-record £67.50 a sq ft recently for the prime position home at London Wall into 90,000 sq ft of Sceptre Court near the Tower, paying around 631 a sq ft. Another lawyer, Barlow Lyde & Gilbert, after less than four years in the spanking new No 1 Finsbury Avenue, found its 30,000 sq ft of Greycoat's 62 Cornhill and promptly asked Healey & Baker to let off the top six floors. Bradford & Bingley took second-hand space on a sbort lease in Moorgate for £55, plus the prospect of a fitting-out too restricting and took 80,000

so ft in Beaufort House. Few doubts about the deep Other sectors may be less buoyant in future. The insurcurrent of hidden demand ance market, for instance, is looking rather sick, which may clond the mind of Mr Peter Hunt, chairman of Land Secutell when rent reviews come rities, Britain's biggest proparound in the areas around the east of the City where the brokers are concentrated.

Probably an area-by-area and sector-by-sector analysis is the best way of working out the impact of any drift in demand. As Mr Peter Hunt says, the buildings have to be in the right place. He believes people were too quick too dismiss location as the gulding force in property development when the core was burst at the scams by Big Bang and tenants flew far and wide to find space.

The core and western fringes of the City will remain high on the shopping lists of professional firms, says Mr Geoffrey-Penteeost of Jones Lang Wootton. A lot of financial groups which ran off to the West End when space was scarce around the time of Big Bang would dearly like to get back into these areas, he asserts.

The testing time will come within the next year - or within three - depending on which opinion you take. Some, like Mr Pentecost, forecast a balance of supply and demand in 1989-90. A "spectre of uncer-tainty" still hangs over the market, says JLW. Against that, Morgan's experts believe that rents will push upwards until 1991, wheo the sbeer weight of new space will tell. They see a two-tier market building up as poorer premises, both new and second-hand. stick to agents' hands while teoants grab tastier bait.

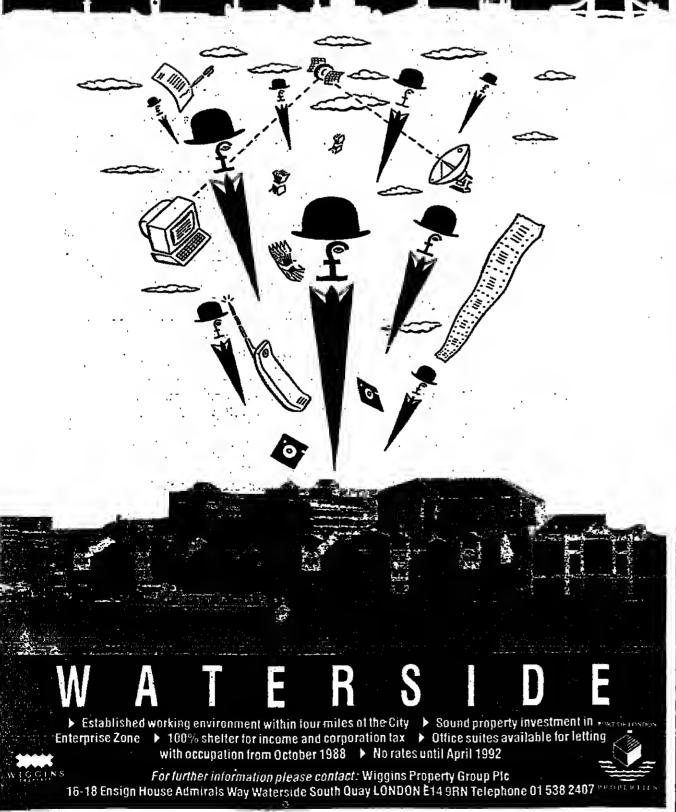
But maybe the biggest demands have yet to materialise. Land Securities is looking across the Channel for new eustomers after 1992 when unification with the rest of Europe will be complete.

"Before the Big Bang we were asked by one City couneillor to prove that there would be an explosion in demand for space," says Mr John Moar, the deputy chairman. "We said we could not prove it. It was just a

gut feeling.
"We were right in the end and we have the same gut feeling about the European connection."

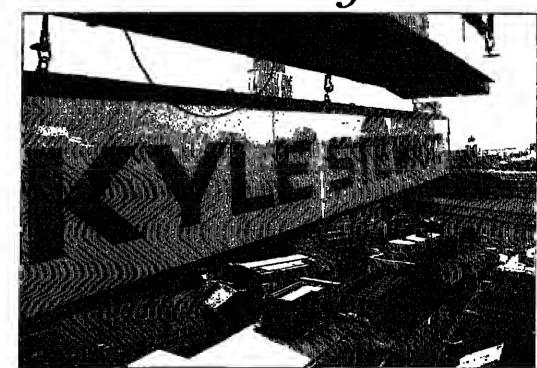
It is getting a bit like old times when a property devel-oper talks about sniffing out future demand by instinct rather than relying on a computer print-out. Only time will accurate than arithmetic.





OFFICES · MEDICAL BUILDINGS · HOMES · THEATRES · ART GALLERIES · BANKS

Tere building— in the heart of London!



DESIGN & CONSTRUCTION · TRADITIONAL CONTRACTING REFURBISHMENT · MANAGEMENT CONTRACTING



MERIT HOUSE · EDGWARE ROAD · LONDON NW9 5AF · tel: 01-200 7070 · fax: 01-200 3997

Office development has mushroomed in peripheral zones -Docklands, Paddington Basin, Victoria, Holborn Viaduct

Square Mile gets bigger

FIGURES OF speech seem to survive long after the world that spawned them. Cockneys are "Bow Bells born"; privileged young ladies range through Sloane Square; their employers or daddies are inevitably "someone in the

Strictly speaking, the Cockney is a dying breed, as the Bow church referred to is in office-cloaked Cheapside rather than the East End. Not a lot of bables are born within the sound of those bells

Sloane Rangers are less likely to be up West than sipping champers with other "financial executive assistants" at a lunch box round behind an almost derelict Stock Exchange derelict Stock Exchange. Meanwhile, many a daddy is looking wistfully from a brand new office block over the roofs of Sloaneland or East Ender

Pinstripes have scattered far and wide over the last couple of years in wholesale moves to a new breed of financial factory. Someone in the City is almost as likely to be working as far from the Square Mile as today's Cockneys are from

But the label will probably stick: "Someone in Docklands" does not have quite the same dignified nonchalance. And consider the distress that could arise over other development areas set to attract expanding financial businesses: King's Cross, Paddington, Victoria, London Bridge, Charing Cross, Liverpool Street, Euston, Cannon Street and Holborn Viaduct. Poor little rich girls will have a terrible time convincing chams that daddy is not "Someone in British

Office development has mushroomed around these peripheral zones since the run-un to the Big Bang, when occupiers realised there would be no space within the traditional Square Mile for the big new buildings they would

More than 7m sq ft of new space will be created in 120 buildings around the City fringes between 1968 and 1991 according to an analysis hy Savilis produced this month. The tide shows no sign of diminishing. Applied Property Research says that planners in Islington, Hackney, Tower Hamlets, Camden and Southwark gave the go-ahead for more than 6m sq ft in just over 100 blocks between July 1987 and August this year. Seven of those permissions

account for around 3m sq ft of the total, including 885,000 sq ft in Spitalfields and a 1.2m sq ft mixed-use redevelopment of County Hall.

On top of this, Savills points out that the Isle of Dogs will have another am sq ft up and running in three years. Meanwhile, Rosehaugh Stanhops is set to repeat its Broadgate development on an even grander scale with a projected 6m sq ft of offices at King's Cross by the mid-1990s.

At one time the City might have ignored these upstarts.

Prime tenants would never be expected to move to such outlandish places. Now, how-ever, central London is evolving into a single market, with the West End merging into the Square Mile, and satellite areas starting to compete for

occupiers.
Distinctions between what is and is not City are increasingly blurred. Much of Broadgate, for instance, now accepted as part of the financial homeland is outside the City Corporation boundaries. So is the 1m sq ft of London Bridge City, an out-post of the docklands strung along the south bank of the

It is pointless to consider these as separate and in com-petition with the traditional City area. They are merely a different tier of the same marthet, offering the giant spaces almost impossible to find in the core and at rents perhaps 30 to 50 per cent less than the top central rates.

Some are more fringe than

wave of development in even more distant areas.

Rents: have generally boomed upwards, with \$45 a sq ft the norm around Fleet Street and Broadgate, 230 creeping along the south bank and £18-plus in the Isle of Dogs. But some rent levels are already falling in the leas prime fringes, says Mr Peter Spooner of Edward Pubman

Each satellite fringe is being forced to compete with the others rather than threatening the City core, and will have to find its own niche.

Docklands is still the great uncertainty. It is generally accepted that things will happen as Olympia & York ploughs shead to produce some 2.5m sq ft by next year with lots more to come. The disagreement hinges on who will go there.

One camp believes the Reichmann brothers will use their undoubted influence to pull in a couple of blue-chip businesses, create a "critical mass" around Canary Wharf and watch the area merge into the City proper. Savilis says acceptance will come as occupiers are convinced that the transport and services are

Others tend to believe it will not peach from the City but act as a relief valve. "Docklands has a chear advantage in low rents plus tax concessions but is unlikely to attract main-

MAJOR PERIPHERAL DEVELOPMENTS

Docklands: 2.3m sq ft completed next year in schemes such as Harbour Exchange. Canary Wharf's first 8.5m sq ft due on stream King's Cross: 6m sq ft of offices planned as part of mixed development. Due for mid-1990s.

Paddington Basin: planning permission for 230,000 sq ft of offices to be ready in mid-1990s but the amount of business space might

to be ready in mid-1990s but the amount of business space might double if Trafalgar House decides to push for it.

MAJOR FRINGE DEVELOPMENTS

London Bridge City: St Martins Property is still waiting for a public inquiry on the 1m sq ft second phase of this South Bank development, which resembles a pastiche of the Houses of Parliament. The developer has outline planning permission and Mr Brian Cann, the managing director, said the decision to call in the scheme on pasthetic grounds was "norverse". He blaned the scheme on aesthetic grounds was "perverse". He bla

"time-screene on aesthetic grounds was "perverse". He hanned
"time-served bureaucrats, opportunistic parliamentarians and
left-wing pressure groups" for the adverse reactions.

Thomas Mare Street: Swedish developer. Skanska has started
work on 700,000 sq ft in the fringe between City and Docklands.
Ludgate Circus/ Holborn Yladuct/ Old Balley: Rosehaugh
Stanhope has permission for more than 2m sq ft to be ready by
1991 and Town & City has started work on close to 300,000 sq ft
part dor

next coor.

Broadgate: hardly fringe any more but still outside the City proper. More than 1:n sq ft is still being built and another 500,000 sq ft is still to come.

Spitalfields: The consortium led by London & Metropolitan has permission for more than 800,000 sq ft but this must await a parliamentary bill to move the market and build a new one at Temple Mills. Space could be available by 1992.

others, in both quality and location, it is these that seem likely to suffer from the new

Spooner,

"More likely, it will be used for susport apace which might previously have decentralised from Loudon stogsther."

Either way, the proposed King's Cross development seems a more likely rivel for hig benants than the City, Both-satellites will be looking to an influx of international companies as 1982 and Buropean unification loom.

Docklands may get in first with available space, but King's Cross could beast a Channel Tunnel terminal to supplement its better access to the rest of London.

In fact, King's Cross could be a vital factor in finally knitting together the West End and

together the West End and City into a single market. This is already happening as rede-velopment apreads through Holborn and Fleet Street into the Street

"When I first came to the City from the West End the people all seemed very different and strange," says Mr Peter Hunt, chairmen of Land Securities, who has substantial holdings right across the central area. "There was your basic West End type and your City type. Now we are seeing a fusion in which people grees boundaries, and a greater synergy."

Different types of business will gravitate to different parts of this single market rether than leaching the old City.

The core will remain the main financial quarter, so the chairman of one merchant bank can nip along the road to chat up his colleague at another; accountants and solicanother, accountants and solic-itors less willing to pay high rents will make for Holborn, or

King's Cross, or the Euston Centre, or Paddington Basin, The West End will no longer provide an alternative for large space users after the present generation of developments such as Charing Cross are finished.

Planning restrictions that

are already tough may become even tougher as Westminster clamps down on further office building, so King's Cross and Paddington will take overspill from both West End and City. Docklands seems likely to be perhaps alightly ahead of other London suburbs in competition for the large-scale operations.

for the large-scale operations

in higher rent areas.

But don't take any bets a g a l n a t the Reichmanns suddenly producing one or two hig names out of the hat.

David Lawson



The most

valuable

45,000 square feet in the City

From 14th to 16th February 1989 - the most valuable

site in the city will be at London's Barbican. Between

these dates it will be home to the UK's first Property

Property Business will develop 45,000 sq feet, con-

structing over 150 property exhibition stands, planning

10 specialist half day workshops, structuring live prop-

erty auctions, demonstrations and presentations -

So if you want to put in the ground work for your

property investments, cement existing business

relationships, lay the foundations for future deals and

get in at the ground floor of the latest concepts and

technologies - just send your business card to the

business

the barbican centre, london, 14th-16th february 1989

A World of Property Opportunity

Bob Denton, Property Business '89. Focus Events, Greencoat House, Francis Street, London SWIP IBR. Tel 01-834 1717 Fax 01-828 0999 Telex 941 9564.

everything for those in the property business

Nebulaus briefings make nervous colleagues. Last thing you need going into a meeting. What you want is crisp Information. Relevant.

Better than the opposition's. (Or at least as good if they use FOCUS, too). FOCUS is an on-line database of information on commercial property. Ownership, deals,

rent review dates, comparables, property partfolias, planning and development.

It's all there, up-to-date, edited and clear. Which is why you save time and money when you make FOCUS your starting point.

Call Property Intelligence now to see just how helpful FOCUS would be on your desk.

helps crystallize nebulosity

PROPERTY INTELLIGENCE LIMITED, INGRAM HOUSE, 13-15 JOHN ADAM STREET, LONDON WCZN 6LD. Monoging Director: Michoel Nicholson FRICS, Tel: 01-839 7684



2/3 Philpot Lane, London EC3 A restored Georgian Building

to provide 9,300 sq.ft.

of magnificant company headquarters

AVAILABLE FOR OCCUPATION IN APRIL 1989 TO LEASE OR FOR SALE

For further information contact:

lexell Wylie

WRIGHT OLIPHANT
SURVEYORS 01-929 0854

This announcement appears as a matter of record only.

Nelson Bakewell Limited

Chartered Surveyors

have acquired the entire share capital in

William Killick Limited

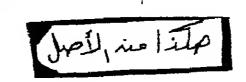
Chartered Surveyors

For comprehensive advice on City Property

Simon Bakewell Nelson Bakewell Limited 17th floor, 99 Bishopsgate London EC2M 3XD 01-629 6501



William Killick Limite Vestry House



The banks turn cautious

MORE AND more funds have poured into the City property market as the construction boom has gathered pace to meet a sustained demand for office space. The funds have moved in from a wide range of sources - owner occupiers. institutions buying for invest-ment, banks lending to development companies.

VEPTEMBER 13 %

which people

types of beautiful types of beau

Contraction for the first term of the first term

_ direct 1200 h

. 475 EEE 1825

o Carer (m

Frestricter:

A 10 CE ... Table to Very

· G. RT. CZ PEZE

in hinti Car

. . . . Age Indeed

್ ' ಬರುವ ಕರೆಯ' ' '

THE SECOND PROPERTY.

and the Rates

---- :W 62E

) SQ.H.

H F OF SALE

ted

153,13705

The equity market crash last October sent a shiver through the market and activity slowed markedly in the last quarter of 1987 before picking up again in the first quarter of this year. The aftermath of the crash has been reflected in a more cautious attitude to bank lending and probably, although this is difficult to measure in an analysis. am probably, simough this is difficult to measure, in an increase of institutional trad-ing of City office property. If there is any certainty, it is

if there is any certainty, it is that there is a more cautious attitude to and a more stringent appraisal of the lending and investment opportunities now than there was a year ago. "In a market where there is uncertainty, you have investors around with different views," notes Mr John Coventry of Hillier Parker, chartered surveyors. "Some are worried. surveyors, "Some are worried. Some think there is a

short-term problem. So there are both buyers and seliers."

This is especially the case with the British institutions whose role in City investment expenditure has been less than that of foreign interests, according to the Hillier Parker figures. Foreign capital expenditure has been around 40 percent of the total in recent years, reflecting purchases by, for example, US banks.

Between 1985 and the end of the first half of 1988, capital expenditure came to over 24.70m, a heavy investment by any standards and one of the reasons behind the national

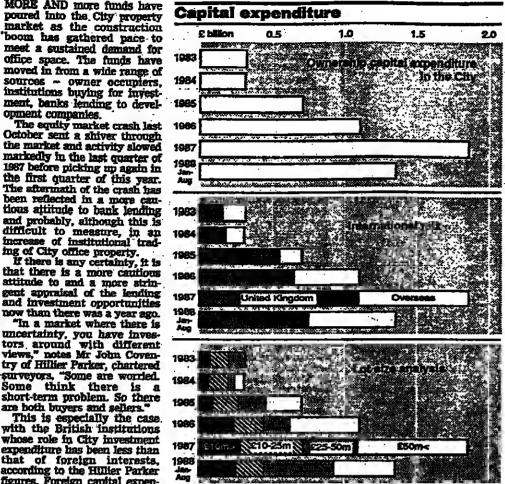
reasons behind the national property boom, which started in the City and then began to spread outwards as economic recovery gathered pace.

But there is a difference between investment expenditure and spending for the purpose of development or redevelopment, which is where the property companies come into their own. Jones Lang Wootten chartered surveyors, has ton, chartered surveyors, has calculated that last year prop-erty development companies spent £945m on the acquisition of land and buildings, but that in the first half of this year, reading drowned to £300m.

spending dropped to £300m.
Such a decline reflects not only the uncertainties set off by the equity market crash, but also the perception that the market may be due for a pause. To put that another way, the sumply and demand way, the supply and demand balance may gradually, in the light of the brisk construction indertaken, be tilting in

favour of tenants. Just as such perceptions affect the way that the prop-erty development companies have been managing their City programmes, so it also affects the way in which the banks have been adapting their landing

The City property boom has been marked by the develop-ment of bank lending tech-niques and the fact that the



But there has been a change in bank attitudes since last

October. There is not such a

rosy picture as there was a year ago, notes Mr John Cameron, director at County NatWest, the National West-minster investment bank.

proper lending criteria," he

teria demand that the devel-oper has an equity stake in any

project of up to 20 per cent. The banks will often be pre-pared to lend up to 80 per cent

of construction costs or 65 per

cent of the completed value of

Problems have come in

assessing what is the com-pleted value because that will

epend on the level of rents

On the mergin of banking activity before last October, there were cases where banks

the new building will com-

were prepared to accept project appraisals which predicted

increases in rents above the

then prevailing market levels. In other words, a strong ele-

heightening the degree of risk. This year it would appear

that banks have narrowed their definition of acceptable risk and have become increas-

ingly insistent that project appraisals are based on the existing levels of rents.

That said, the total Bank of England figures of lending to

tinued to grow sharply. Prop-erty development companies have relied more and more on

mand

banks appear to have sup-planted the institutions as the most single important source of project funds. One of the characteristics of

recent years has been the growth of off-balance sheet fin-ancing and non- or limited recourse lending. This has been an important facet of the financing techniques followed by properly companies like the Rosehaugh Stanhope Develop-ments joint venture, Greycost

Broadly, the technique is to put the project in the control of an associate company. Finance for the project is secured on the project itself, so that the company initiating the funding is not their libely. is not itself liable.

If the project fails, then it reverts to the banking syndicate which has put up the funds. The initiating company

is technically safe.
Such lending has continued despite the equity market crash. More finance along these lines has been raised, to name but three, for Rosehaugh Stanhope's Broadgate develop-ment, for Speyhawk's project for the Spitalfields project of a consortium made up of London and Edinburgh Trust, Balfour Beatty and County and District

Properties.

This raises a more general point about bank lending to property companies. It is that the equity market crash and the likelihood of a shift in the supply-demand balance has not diminished the appetite for lending, provided the projects are soundly based. um-term finance in the hope that later they will be able to re-finance their projects, either through long-term commercial mortgages or through direct sales of the completed property.

The Bank of England figures

are sketchy, however, because they cover the whole nation and they refer to money drawn rather than to commitments. Jones Lang Wootton, chartered surveyors, estimates that of the total of £16.6bn outstanding lending to property companies, probably 55 per cent relates to central London and of that perhaps up to 40 per cent relates to the City proper. It guesses that there is probably between £4bn and £5bn of short-term finance active in the City.

As early as last summer, the Bank of England was expressing concern about the build-up of bank lending and making it clear that the banks should ensure it was soundly based. Underlying this warning was the fear that some foreign banks might be dabbling in areas which they did not properly understand.

It is certainly true that the amount of foreign bank lend-ing either on an individual hasis to particular projects or through syndicates has risen sharply. The Japanese and European banks have taken a larger role in major City

There has also been the fear that there might be a shortage of ultimate buyers for some of the City projects which have been coming out of the ground. This fear may have been mis-placed. Research by County NatWest and Baker Harris Saunders, chartered surveyors and published last year showed that of the proposed new sup-ply in the City, only 13.5 per-cent was coming from property companies which might be expected to trade on the fin-ished product.

The greater part of British The greater part of Britishsponsored development has
been in the hands of property
investment companies, which
would intend to retain the
completed property and which
generally have been
busy shifting their variable
rate finance to fixed rate
finance and of the major propfinance, and of the major prop-

erty investing institutions.
At the same time there has been a growth of foreign interest in the sector, beyond that manifested by owner-occupiers. The Scandinavian presence has become marked and although Japanese money has come in largely through construction and development companies and through bank lending, the hope persists in the City that Japanese institutional funds perhaps is the establishment of a London office by Sumitomo

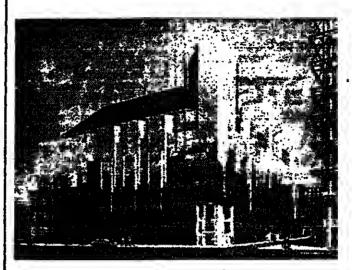
a London office by Sumitomo Life Reality.

Further, there is the expecta-tion that a unitised property market will offer, through the issue of property income certif-icates or securities in single asset property companies, a further outlet for the sale of completed properties.

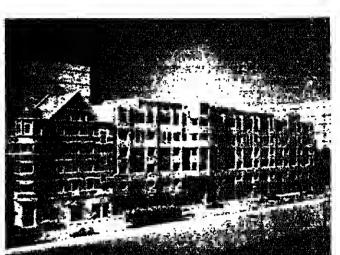
Paul Cheeseright

STRENGTH INTHE CITY

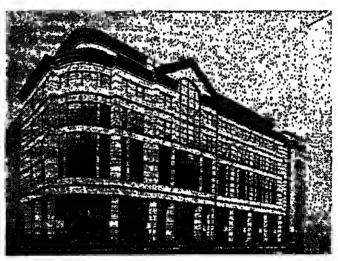
Over 650,000 sq ft of prime space coming on stream by mid 1990 Over 300,000 sq ft let or under offer



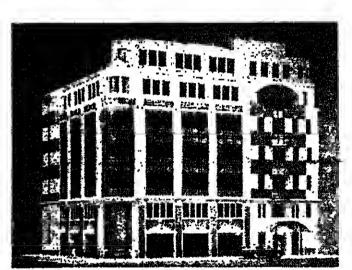
Milton Court, EC2 Size: 160,000 sq ft offices Completion: March 1990 Architect: Denys Lasdun Peter Softley & Associates Contractor: Costain Construction Ltd Letting Agents: Richard Ellis



Moorgate Hall, 143-163 Moorgate, EC2 Size: 68,000 sq ft offices, 18,000 sq ft retail Completion: March 1990 Architect: Chapman Taylor & Partners Contractor: John Mowlem & Co PLC Letting Agents: Jones Lang Wootton



Leith House, 47-57 Gresham Street, EC2 Size: 77,000 sq ft offices and a restaurant Completion: May 1990 Architect: GMW Partnership Contractor: To be appointed Letting Agents: Jones Lang Wootton



Ling House, 10-13 Dominion Street, EC2 Size: 30,000 sq ft offices Completion: September 1989 Architect: Kenzie Lovell Contractor: John Mowlem & Co PLC Letting Agents: Weatherall Green & Smith



ONE COMPANY HAS ALL THE ANSWERS

When the time comes to seek professional advice it pays to decide on one single company which has the in-depth knowledge and experience to fulfil your property needs.

For Fuller Peiser, with over 100 years' experience operating in the City of London, solving property problems comes naturally.

Fuller Peiser offers a comprehensive multi-discipline service as diverse as, agency, valuation and appraisal both in the UK and Overseas, investment services, development, project management, rating and rent negotiations for both

It is important to contact the professionals before problems strike your business





35,000 sq.ft.

Highest quality, new

OFFICES

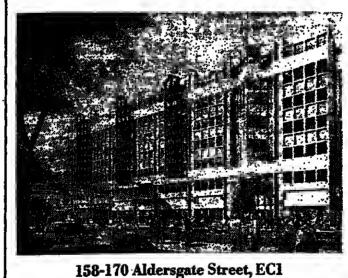
available on a lease, or

FREEHOLD

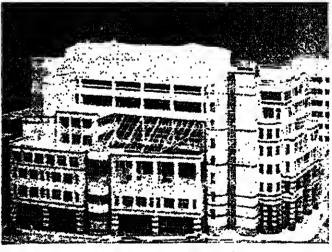
completion to 'Shell & Core' Autumn 1989

Full details from:





Size: 190,000 sq ft offices Completion: November 1989 Architect: Siefert Ltd Contractor: Costain Construction Ltd Letting Agents: Wright Oliphant **UNDER OFFER**



8 Salisbury Square, EC4 Size: 115,000 sq ft offices Completion: September 1989 Architect: EPR Partnership Contractor: Taylor Woodrow Construction Ltd Joint Letting Agents: Knight Frank & Rutley and Peter Wright & Co LET TO PEAT MARWICK McLINTOCK

Note: All offices have air-conditioning. All areas are approximate and net

LAND SECURITIES PLC

LANDSEC HOUSE, 21 NEW FETTER LANE, LONDON EC4P 4PY

Building

Services
Refurbishment
Fitting out

Financial

Not just another estate agency but an integrated team of 25 pro-

fessionals, skilled in acquisition and

leasing of City property, as well as

advising on rents and local taxes,

space planning and fitting-out,

property management, develop-

real estate advice.

ment or investment and corporate

of our City office is the result of a

City of London - Drivers Jonas - a

Not just pie in the sky – the success

well-planned management strategy.

Reflecting the finest traditions of the

CITY OF LONDON PROPERTY 6

The change in sentiment towards investment companies

Assets count as interest rates rise

THAT OLD maxim of "Sell in May and go away" has looked even more appropriate this year. Property stocks generally have remained more expensive to buy than those in other market sectors. But they have, none the less, been caught up in trading patterns established by low turnover, higher interest rates and, more specifically, concern that the best days of the City of London commercial property boom are

investment Development

dynamic independent partnership for

whom the client's interest comes first.

30 Watling Street, London EC4M 9JN

Head Office: 16 Suffolk Street, SW1Y 4HQ

Telephone: 01-248 9731

Most of the favonred property investment and development stocks have a City flavour about them. Land Securities, MEPC, Hammerson, British Land, Brixton Estate, Capital and Counties, and Great Portland Estates are among investment companies which bave exposure to the City. So do Greycoat, Rosehaugh, Stanhope Properties and Wates City of London Property among the developers keen on the accumulation of assets, and Helical Bar, London and Edinburgh Trust, London and Metropolitan and Speyhawk among the so-called merchant developers. The City in short attracts a good cross-section of the property world.

Stock market perceptions of

tion of the property world.

Stock market perceptions of this world have been changing radically. Until the market crash of last October, the investment companies had tended to play second fiddle to the development companies even in spite of the fact that the biggest of them had substantially greater City interests.

The market had been on a high tide of excitement, pleased with every new development prospect, delighted by every new financial agreement that provided the underpinning for yet another City office building. Demand had seemed unrelenting. Expansion had seemed for ever. The development companies traded on extremely high multiples.

To be sure, the investment companies were not wholly left

out. In the summer of 1987 they traded at a premium to their net asset value as their market prices broke out of their traditional discount.

October changed everything. Not only did the collapse of the

Crussder House built for Wimpey Property/Rosehaugh

equity market act as a sobering infinence but it also joited
back into the memory predictions that the City office market, given the building boom,
could be in rough supply and
demand balance by 1990. Suddenly the rose-tinted view
looked a little muddy.

looked a little muddy.

One example of the change of mood. When, in the weeks following the crash, the City of London planners suggested that the City boom was coming to an end and that in future all planning applications would be looked at more stringently, all

stocks with a City interest moved lower. Yet this was a contradictory move. The market grasped the end-of-theboom thought but did not stop to consider that a more stringent planning regime would protect those already in the City and would, in fact, be bullish for them.

This year the market has settled and a good deal of the optimism has returned, fuelled by a string of rising net asset value figures which reflected the increase in rents that had been taking place in the City. Property stock prices have out-performed the rest of the market. But this return to optimism has been to the benefit of the market prices of the investment companies.

The single most important movement in the stock market's property sector this year, regardless of short-term price movements, has been the drive into stocks with a strong asset backing. By comparison, there has been a lower level of interest in companies developing to sell on.

In other words, the financial institutions whose investments are the dominant influence on the market have adopted a safety-first policy. In this particular context they have chosen the established property owners in the City — Land Securities, MEPC, British Land and so on. These companies, of course, have extensive development programmes in the City but they are less exposed to changes in the rental market than companies with a smaller asset base and buildings coming out of the ground.

An additional factor moving

An additional factor moving market sentiment towards the investment companies has been the manner in which they undertake their financing. They have been able to use the equity market for debenture issues and they tend to have much of their City development backed by fixed rate finance. To the extent that this finance was raised before interest rates started to rise in June, their projects are likely to prove less immediately costly than those of development companies with a tendency towards shorter-term financing at variable rates.

There was little doubt, as interest rates moved progressively higher through the summer, that the market was taking a very cantious view of the development companies and some had prices that were moving down towards their lowest levels of the year.

High interest rates have never been good for the property sector and much of the money which has been attracting these rates is being deployed in the City, But while the development companies

GUILD HOUSE

A City of London

presence-today

☐ Fully serviced office suites in Fenchurch St, EC3
☐ From 90-1,300 sq. ft.
☐ Ready for immediate occupation

For further information contact:

Dron & Wright

01-248 5799

Local London

(City) Limited

01-929 5252

look the most vulnerable fluancially, their level of gearing is generally not as high as it was just before the 1973-74 property

crash.

In the early stages of the interest rate rises then, some analysts argued that the cantion was overdone. Not only could the development companies absorb a rise of couple of points without too much discomfort, but demand for space was such that accommodation costs were not a factor in

determining growth.

There may be more justification for the cautim following the August rises because the heavier weight of the financial charges assumes more importance when related to the growth in construction costs, leading to a tightening of developers margins.

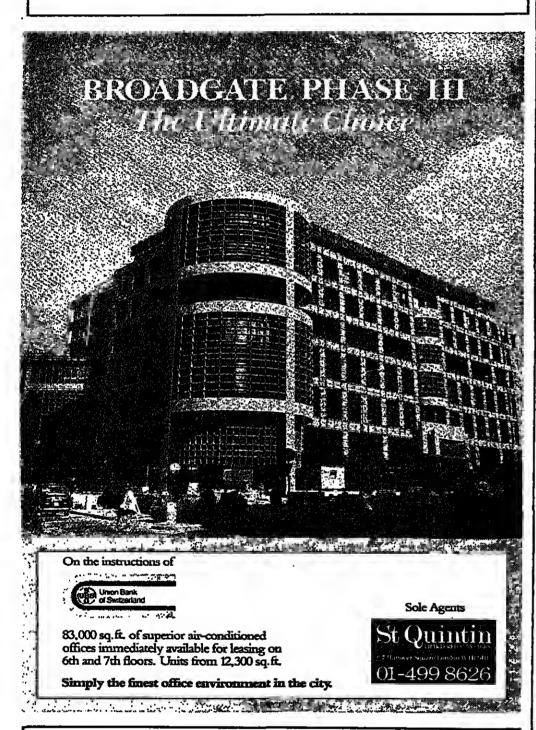
developers' margins.

This makes the task of predicting which way the stock market will move in further assessments of the development companies all the more hazardous. And the position, as the summer wore on, became trickier still because of the low level of trading. With investment interest at a low ebb, much of the price movement appeared to be coming from the market makers themselves. In the future, however, additional investment opportunities in City of London property are likely to open up through the start of a unitised property market. There have been false dawns for this market, but it is now a fair bet that sometime in the autumn there will be issues of property income certificates and there is always the possibility of a single asset

the possibility of a single asset property company issue.

City buildings, especially where they are muiti-tenanted, are likely to play a part in this market, especially if institutional interest in the direct investment market slackens. But it is worth recalling that the only single asset property company security which has been traded — Billingsgate City Securities preference shares—attracted scant interest and that S & W Berisford, which launched it in the first place, has been bidding to buy the whole issue back.

3:5



Rent Reviews Rating Advice

Pie, but not in the sky

A brew worth £4.25m

DOWNLAND ESTATES has paid £4.25m for the former Ridgway's Tea Factory site on the south side of Old Street, 100 yards east of the roundabout and close to the underground station.

An application has been made for 50,000 sq ft of office accommodation with 26 car spaces in seven separate buildings around a courtyard. Each unit will be for sale freehold and should be available in early 1990. Units vary in size from 3,000 to 10,000 sq ft.

The buildings are aimed to satisfy the demand for City fringe locations from occupiers who wish to acquire freehold office sites.

Humberts Commercial

City Fringe EC1

Long Leasehold

Site for Office Development providing 70,000 sq.ft.

subject to planning

All enquiries
Humberts, Chartered Surveyors
25 Grosvanor Street, London WTX 6FE
Telephone: 01-629 6700

Commercial Offices at London, Southampton, Hatfield, Yeovil and Chippenham

LONDON STREET LONDON EGG

6 LONDON STREET - LONDON EC3

65,000 SQ FT APPROX.

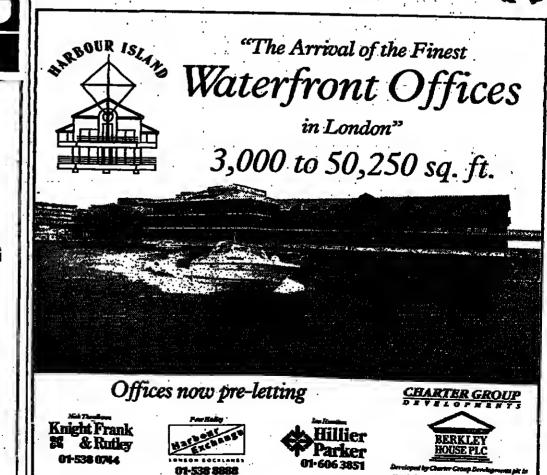
AIR-CONDITIONED OFFICE BUILDING

WITH CAR PARKING

LEASE TO BE ASSIGNED

POSSESSION SPRING 1989





3 CITY OF LONDON OFFICE FREEHOLDS



25,000 sq.ft. 14,000 sq.ft. - Under Offer 8,000 sq.ft. - Under Offer

Next to Breadgate

Nearing completion

Dron & Wright

CHARTERED SURVEYORS

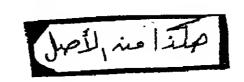
5 Burgon Sheet, St. Andrew t Hall London Ecer SOR

1 Per 8014311 Fax 489 1175

01-248 5799

Fletcher King
Stratton House Stratton Street

A Development by AMEC Properties

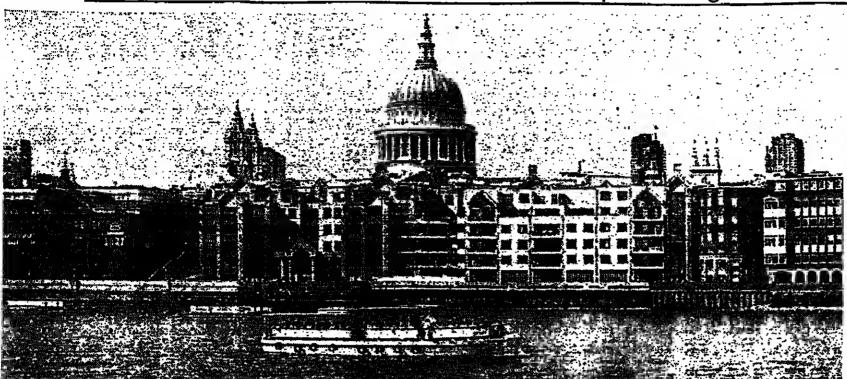


أو كيا إلم المراق الم

THE RESIDENCE OF THE RESIDENCE OF THE PROPERTY OF THE PROPERTY

CITY OF LONDON PROPERTY 7

Long-term skills weakness could hit London's competitive edge as a financial centre



The gold dust on Concorde

GOOD TIMING is crucial for survival in the rough waters of property development. Costs and returns move in a complex rhythm of independent cur-rents, and anticipating how these will move can be like edging a heaving boat ashore after planning years ahead that everything would come together at the right moment.
To get it wrong can result in anything from a mild wetting to a capsize.

City office developers are watching nervously as they feel the tide of rent increases which floated many vessels begin to alow just as countercurrents of interest rates and building costs strengthen.

Construction costs are rising at their feetact rate incost he

at their fastest rate since the early 1970s as development booms and builders boost tender prices to make up for the

barren years.

A national forecast by R. C. Harris, quantity surveyors, predicts a 13 per cent increase in tender prices this year-twice the predicted rise in construction costs. This is led from the South East, where giant projects such as the Channel Tunnel, London Dock-lands and Broadgate are soak-

ing up materials and labour. The City has become the vic-The City has become the victim of its own success, with so much building going on that employers have to go to ridiculous lengths to find skilled workers, let alone the extra money to pay them.

At one time national wage agreements enabled labour

costs to be planned reasonably accurately, but E. C. Harris says the self-employed now make up more than half the industry, and they can raise their price to suit the market.

their price to suit the market.

Skilled workers, ranging from bricklayers to electricians and lift engineers are becoming as rare as gold dust. Johnson Jackson Jeff, project planning consultants in charge of such schemes as the 600,000 sq ft Royal Mint Court, has just great more than 530 000 to him. spent more than £30,000 to hire. Concorde for a day as a gimmick to attract surveyors and engineers for interviews. However, delivery delays on

building materials, such as concrete and curtain walling, are posing as big a problem. Mr Bob Field of JJJ points out

that delivery periods are stretching out as supplies dry up. For instance, lead times on cladding panels rose by 30 per cent to more than seven months in the early part of this

E. C. Harris blames the E. C. Harris blames the impact of "super sites" such as Broadgate, which it says have cornered the market for steelwork and forced up prices. Now the Canary Wharf machine is taking over.

Mr Derek Hammond, chairman of Project Management International, says the whole of Redpath Dorman Long's output of structural steel has been

but of structural steel has been taken by the docklands com-plex for the next two years, which means other builders having to search abroad for

their supplies.

Developers protest that they are seeing few problems on the ground at the moment, but this could be because most will have secured their supplies long ago. The worst effects are

On their own these extra costs might have a marginal effect on profit margins and add only a few pence per

square foot to rents. But this square foot to renus. But this
must be placed in the context
of weakening rent increases
and the threat of other rising
expenses such as the new VAT
charge and a much higher uniform business rates.

per cent of the overall costs of

some city projects, so any savings bere can be crucial. "To win work, management

and main contractors are committing themselves to shorter construction periods," says Mr Ken Escott of Crown House Engineering, now one of the country's top five contractors after being bought out by the management from Coloroll a year ago. The hurden then fells

year ago. The burden then falls

on services contractors to squeeze installation into this

compressed schedule.
Crown has developed off-site prefabrication packages which will be installed into the 825ft Canary Wharf block in a joint

venture with Niagara Mechani-

cal Services of Toronto.
The problem with time-sav-

ing fast-tracking is that it puts

even more pressure on the labour market, as the tech-niques require greater num-bers of skilled workers and supervisors on site. Mr Escott says Crown has had fewer

Pressure to improve building efficiency and control costs will become even more important as these influence customers in the early 1990s. "Design will have to meet cost levels with the costs following." rather than costs following designs, Mr Hammond says. But developers cannot afford to

cut corners when tenants are demanding more for their money in a buyers market. Selection of sub-contractors in future could hinge less on cost than on those which have the labour and materials to

Fast-track building is already widely used to minimise construction times and start rents flowing earlier. Pre-fabrication is also becoming standard practice, particularly in the services that go into buildings. Electrical, air-conditioning

and other services in some city developments now make up 40

employed this year.
Developers have opted for

appreotices are

shell-and-core schemes partly to offer the maximum choice for the way occupiers use a building but also because it shortens the contract pro-gramme. This leaves tenants with the burden of keeping down costs since fitting out can oow take up as much as half the overall outgoings.

Pre-lets make up the bulk of the City market but tenants' contractors often have to wait around until the construction team is out of the way. So project managers are pushing to get on site earlier.
PMI worked out an agree-

ment with LEP for the partial release of space on the 200,000 sq ft complex it has pre-let to Swiss Bank Corporation at Sunlight Wharf on the banks of the Thames. The 54-week pro-cess of installing services started five months earlier than it normally would, as fitting-out cootractors moved in behind the huilders as they

released sections of floors.
The City is racing to catch
op with its New York rival in making greater use of such fas-ter and more flexible building methods, but there is still an obvious gulf in many cases. Mr Julian Ryder Richardsoo is involved in a some of the City's biggest schemes as a senior partner of architects GMW. He oints out that shell-and-core building requires a sophisticated level of building management by the owner and a well-organised flow of information about the technicalities of a building from the developer's coosultants to the teoant's Many have not yet reached this level of sophistication.

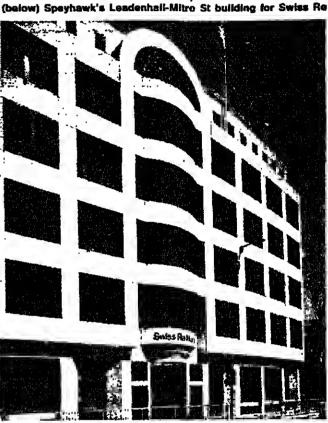
Skilled labour also raises its bead again as an important factor. US tenants do not have to rely as much oo built-in flexibility, such as providing raised floors, since they can pick up a phone and have an electrical cootractor move outlets within the bour. The UK lacks this building mainte-nance industry, Mr Richardson

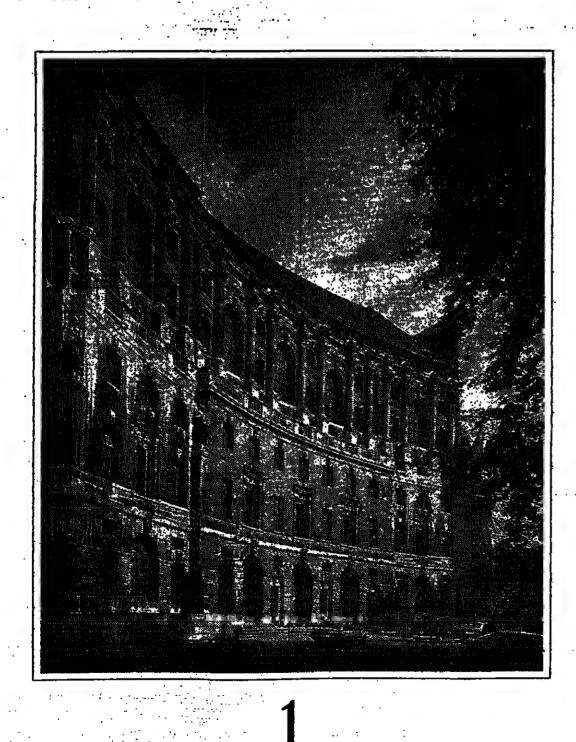
This shows that the lack of depth in building and mainte-nance skills is not just a cyclical problem which will go away when the storm of City construction subsides. It is a long-term weakness that will have to be tackled if Londoo is to maintain its competitive edge with other world financial

David Lawson



Prudential Assurance's office development in Came





I N S B U R Y CIRC

185,000 sq. ft. AVAILABLE SUMMER 1989

LETTING AGENTS: RICHARD ELLIS (01-256 6411) AND BAKER HARRIS SAUNDERS (01-726 2711)



A DEVELOPMENT BY GREYCOAT GROUP PLC



Developers may have to think harder about what the customer wants

Tenants start to call the tune

needs, or if not, a bare finish to shell-and-core. That leaves

developers in a dilemma. Pre-

lets have been common during recent shortages, but no matter what a tenant writes on a

questionnaire, it can be the devil's job to let an unfinished

The average potential tenant has tended to be sailly lacking

in imagination. He (or she) just can't envisage the finished product. So the partitions and

carpets go in, the ceilings are hung, the potential tenant swoons with joy — and then sends in the fitters to tear it all

But things have moved on since the days when the chairman merely asked whether a new home was in the right place, looked right and was big enough, says Mr David Todd of Edward Erdman. Whole team of advisors are howeth in now.

of advisers are brought in now-adays to go into the details of

the mechanics and electrics of

Intermediaries who take

over the whole project for ten-antsare becoming more com-

mon. As Mr Derek Hammond, chairman of Project Manage-ment International, points out,

fitting out can form half the overall costs of a building, so tight controls are needed for

the tenant on everything from

initial planning to legal and financial negotiations with the

developer.
Occupiers usually have a reasonable idea about the over-

they think they need, but even that has changed. Every City

development seemed to boast

giant dealing floors a couple of

years ago but these are now the stuff of history. The aver-age tenant now wants no more than 18 metres of window-to-

window depth to contain cellu-lar offices each side of open

this complex new beast.

out and start again.

distressingly short these days as City folk rush back from their Perrier and sandwiches to relieve groaning desks of mountainous in-trays. Even thetraditional dog days of past languid summers are a memory. Today's Bright Young Things simply refuse to sell in May and go away.

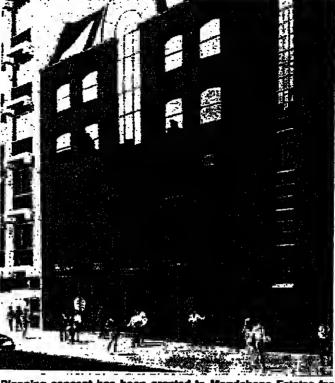
But there is one sure way of enticing an harassed executive of claret and watching the afternoon drift away: ask him what he thinks of his office accommodation.

Even the shiniest, modern, high-tech, state-of-the-art-with-kuohs-ou office block has critics (look at the Lloyd's Building). It will be too small, or too big, or too far away from the station, or too awkward to fit in the extra computer being sent over from

New York.
The trouble is that tenants have not had a lot of say over the years about the buildings tbey are offered. Developers tend to plough their own path, producing all-purpose speculative buildings which will appeal to the widest range of businesses. And while the market has been booming, many tenants took what they could get for the price available rather than search

for something better.
But as those prices soar. occupiers are digging in their heels and demanding value for money. Tenants are slowly but surely taking control, forcing developers to think harder about what the customer

Efficiency is probably the first priority. It can cost more to a c c o m m o d a t e a City secretary than sbe takes in wages, and rising rents are not solely to blame. Bills for services such as maintenance and beating added more than £12 a sq ft to the cost of an average ceutral London building last year according to the annual index produced by Space Planning Services (SPS). In the best City areas overall costs reached more than £10,000 per employee per year. Prematurely ageing office blocks left over from the last property boom are the worst culprits. They are becoming almost unlettable unless



Planning consent has been granted to Marylebone Estates for 17,000 sq ft office accommodation at 52-54 St John Street, EC1

problems. Many occupiers are expauding like Topsy but cannot find new premises or will not pay soaring rents. Instead, they are squeezing

the maximum use out of existing offices through increasingly sophisticated calculations run through the computers of specialists such as SPC. Many major City users change their operations so rapidly that they need regular "audits" to rearrange the jigsaw of desks, partitions and computer links.
The sbeer chaos of noisy

rebuilding and rerouting of cabling through a busy office has ground into tenants the determination that their next building will be better than the last. So developers are forced to think hard about what tenants may want when they are designing the City's newest

After the chaos of the tecbuological revolution, flexibility to meet future change is the first priority for tenants, according to a review tenants, according to a review by property consultants Debenham Tewson & Chimnocks (DTC). A third of City occupiers questioned were unhappy with their ability to adapt. Almost 70 per cent use a mainframe computer (compared with less than half for the country as a whole), implying a network of desk-top terminals which will require regular uprating and shifting about as operations evolve.

Most modern buildings have

raised floors which makes cable changes easier. But six-inch voids are already insufficient, with most occupiers telling DTC they needed another couple of needed another couple of inches. A quarter also want more height than the average 9ft 5in between floor and ceiling because of the cramping caused by raised floors and suspended ceilings.

vast majority would be a building designed just for their

plan areas, according to Mr Bill Peach of Baker Harris "Most developers realised this change quickly and are

example of changing times. The first phases were full of dealing floors and the latest

dealing 1100rs and the latest are split 50:50 between cellular and open plan."

So developers are responding to changing tenant demands, but does that make the best product to meet future needs? Occupiers themselves may be unsure about their future. unsure about their future needs - which is perhaps why they are so keen on the idea of maximum flexibility.

Tenants were very precise in the dimensions they required-

the dimensions they required-before Rig Bang for giant deal-ing rooms, as though the big-ger the rooms were, the more business they could grab. Mr Roger Henderson, chairman of Space Planning Services, was already pointing out that these halls of mammon might prove useless for anything other than aircraft hangars or sports arenas if smaller operations became fashionable and tech-nology improved. He has not nology improved. He has not changed his mind.

More subtle new influences

on the new City may also be lost on both tenants and devel-opers. The computer, for instance, sets not just the shape of office layouts but the pace of work. At one time 50 clerks would work at their own pace on routine tasks relieved by banter and gossip, making a relaxed and close community. Now a handful of specialists monitor a much higher volume

That is how the "sick build-ing" syndrome arises, with an epidemic of aches and pains sapping the morale of staff, Molchills become mountains very quickly unless work areas

very quickly unless were kreas are designed to even higher standards than before. Chang-ing a typing pool into a word processing pool without recon-sidering the job or office layout is a classic blind spot of execu-tives rarely in the place. Ignor-tives rarely in the place. ing the need for relaxation areas is another.
But decision-makers may

also forget their own needs. Team meetings are invariably geared to a computer terminal ratherthan a spare conference room nowadays. Such complexity within one

organisation shows that there is no longer a standard solution to tenants' requirements, says Mr Henderson. Clear briefing is essential to come close to meeting possible problems. But some developers may question whether occupiers can provide any clearer picture than they draw themselves from intuition and day-to-day experience of building for a wide variety of businesses. Perhaps the tape recorders

monitoring naughty dealers in their oversized offices might be extended to lunch tables around the City. For each bottle of claret they would come up with just about every fault that needs to be ironed "This is demanding and stressful," says Mr Henderson.
"And a person under stress is much more aware of physical

THAMES QUAY

IS A STATUS

SYMBOL IN

AVAILABLE AS THREE

I THAMES QUAY

72,628 sq.ft.

2 THAMES QUAY

\$9,400 sq.ft.

3 THAMES QUAY 57,900 sq.ft.

OR AS A WHOLE 189,928 SQ.FT.

A NEW INTERNATIONAL

OFFICE DEVELOPMENT

WITH 280 CAR PARKING

FOR SALE OR TO BE LET COMPLETION APRIL 1989

01-538 3060

White Druce & Brown 01-629 2102

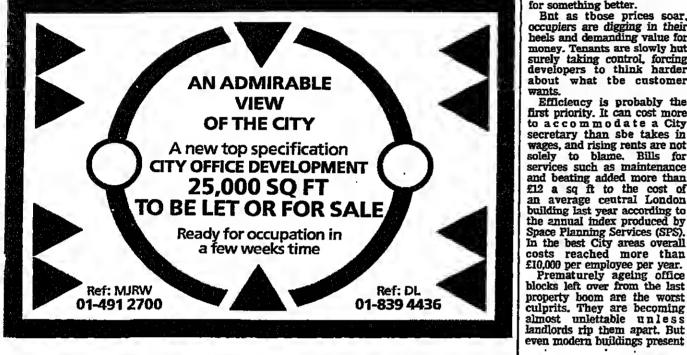
01-538 2060

SPACES

SELF-CONTAINED

TTSELF....

BUILDINGS



"We know the answers...

...because we have the facts"

The City Office Demand Survey and

the West End Office Demand Survey for 1988 are now available

SAVILLS

01-4998644

20 Growence Hill, London WIXOHQ Contact: Patricia White

15 Moorgate, EC2

- the Bank of England
- ☐ Fully accessible raised floors
- Excellent natural light
- ☐ Two passenger lifts

To Let

Available for Terms of up to 15 years

All Letting enquiries: **Christopher Dennis**



01-606 6600

1 Frederick's Place London EC2R 8HX

s and associates throughout the world

Robert Murphy



Hexell Wylie

HOLLAND HOUSE

1/4 BURY ST, LONDON EC3

5500 SQUARE FEET

AIR CONDITIONED OFFICES

CLOSE TO LLOYDS AND THE

BALTIC EXCHANGE.

CONTACT HEXELL WYLIE

01-621 1704

2/3 Philpot Lane, London EC3 A restored Georgian Building

9,300 sq.ft.

of magnificent company headquarters

AVAILABLE FOR OCCUPATION IN APRIL 1989 TO LEASE OR FOR SALE

For further information contact:

WRIGHT OLIPHANT SURVEYORS 01-929 0854



THE THROGMORTON

The most adaptable adjustable, variable, flexible, available, sensible way to accommodate your business.

When about to start a new venture, open in a new city, expand an existing business, accommodation should be the least of your concerns.

The Throgmorton Business Centre, strategically situated, provides fully serviced offices to fit your precise time/space needs, with every resource readily available. From a suite to a single desk study. Three months of three years. Allowing your accommodation to contract the state of the st three years. Allowing your accommodation to grow with your business, one step at a time.

The Throgocuton Business Centre, 33 Throgocuton Street, London ECZN 288. Telephone 01-606 1771 Telex 9419096 THROG G Fax 81-726 2427

A DEVELOPMENT BY FIVE OAKS INVESTMENTS PLC

MICHAEL HOUSE, 35 CHISWELL STREET, LONDON EC1

17,545 sq ft

NEW AIR CONDITIONED OFFICE BUILDING

AVAILABLE SUMMER 1989

APPLY

HARRIS SAUNDERS

01-726 2711

01-920 9191

4,850-16,220 sq ft

☐ Prime air-conditioned offices overlooking

☐ Imposing period façade

☐ 24 hour access and security